

EXHIBIT C

to the Declaration of
Lisa J. Cisneros in Support of
Plaintiffs' Opposition Briefs

REDACTED VERSION

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
4
5

6 IN RE: HIGH-TECH EMPLOYEE)
7 ANTITRUST LITIGATION)
8) No. 11-CV-2509-LHK
9 THIS DOCUMENT RELATES TO:)
10 ALL ACTIONS.)
11 _____)
12
13

14 ATTORNEYS' EYES ONLY
15 VIDEO DEPOSITION OF ROSEMARY ARRIADA-KEIPER
16 March 28, 2013
17
18

19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR
20
21
22
23
24
25

09:25:59 1 financial analyst in 1998, was there a salary grade
09:26:04 2 associate -- was there a salary range or salary grade
09:26:07 3 associated with your position?

09:26:08 4 A. Yes.

09:26:09 5 Q. What was that?

09:26:09 6 A. I don't know.

09:26:11 7 Q. Do you know what your salary range was at the
09:26:14 8 time?

09:26:14 9 A. No.

09:26:15 10 Q. Do you know what your job level or what your
09:26:17 11 job grade was?

09:26:18 12 A. At that time?

09:26:19 13 Q. Yes.

09:26:20 14 A. No.

09:26:23 15 Q. Did you receive promotions or -- well, did you
09:26:27 16 receive any promotions during your time as an analyst?

09:26:30 17 A. I did.

09:26:31 18 Q. What promotions did you receive?

09:26:33 19 A. I moved from a career level analyst to a senior
09:26:37 20 level analyst, and eventually to a program manager.

09:26:49 21 Q. Did your salary increase with each of those
09:26:51 22 moves?

09:26:54 23 A. Yeah. I mean, I don't recall specifically,
09:26:56 24 but....

09:26:59 25 Q. Did your compensation increase -- well, did

09:27:03 1 your base salary increase with each of those moves
09:27:06 2 within the analyst position?

09:27:08 3 A. Yes.

09:27:16 4 Q. What were your job responsibilities as a
09:27:18 5 compensation analyst?

09:27:20 6 A. So we supported different business units within
09:27:24 7 the organization. So it consisted of things like
09:27:27 8 participating in surveys; doing benchmarking; doing
09:27:30 9 analysis, you know, both at a company level as well as
09:27:35 10 an organizational level; designing compensation programs
09:27:38 11 and plans.

09:27:45 12 Q. You mentioned that as a compensation analyst
09:27:48 13 you participated in surveys?

09:27:50 14 A. Yes.

09:27:50 15 Q. Can you tell me more about that.

09:27:52 16 A. Yeah. So as a company, we participate in
09:27:56 17 surveys that third-party vendors host. Radford is the
09:28:00 18 primary source that we use. And so what that entails is
09:28:04 19 having to provide information about our compensation
09:28:08 20 practices and ranges that we develop. And as part of
09:28:13 21 that, there is lots of different companies that
09:28:15 22 participate in that. And as a result of us
09:28:18 23 participating and providing our data, we're then able to
09:28:21 24 get aggregated output data so we use that information as
09:28:25 25 we're determining kind of our market practices and

09:28:28 1 compensation practices that we want to apply internally.

09:28:32 2 Q. Do you know whether Adobe used any third-party
09:28:36 3 surveys other than Radford?

09:28:37 4 A. Yeah. We had a number of different ones.

09:28:40 5 Q. Which surveys did you subscribe to or
09:28:42 6 participate in?

09:28:42 7 A. The ones that come to mind for me would have
09:28:44 8 been Radford, we used iPass, I'm sure there were others.
09:28:52 9 I can't recollect their names. But our primary has
09:28:55 10 always been Radford. The others were more secondary
09:28:59 11 sources.

09:29:01 12 Q. You mentioned that you did benchmarking work as
09:29:04 13 a compensation analyst?

09:29:05 14 A. Uh-huh.

09:29:05 15 Q. What do you mean by "benchmarking"?

09:29:07 16 A. Looking at market data to analyze how our
09:29:11 17 salary ranges, practices and processes compare to the
09:29:13 18 market.

09:29:18 19 Q. Was benchmarking an ongoing project for you as
09:29:20 20 a compensation analyst?

09:29:23 21 A. So yeah, I guess I don't understand what you
09:29:26 22 mean by "ongoing."

09:29:28 23 Q. It's my understanding, and we can talk about
09:29:31 24 this a bit later, that Adobe benchmarks against the
09:29:35 25 surveys on an annual basis?

09:29:36 1 A. Correct.

09:29:38 2 Q. Did -- so when you were doing your benchmarking
09:29:41 3 work as a compensation analyst, were you involved in
09:29:43 4 that annual process?

09:29:44 5 A. Yes, I was.

09:29:50 6 Q. And can you describe the annual benchmarking
09:29:53 7 process?

09:29:53 8 A. Yeah. So it kind of kicks off with the survey
09:29:58 9 participation, and we typically do that in the
09:30:01 10 summertime period. We then get output back from the
09:30:08 11 third-party vendors in terms of by job, what specific
09:30:12 12 compensation elements look like. And they provide in
09:30:15 13 percentiles so you get the 25th, 50th, you know, 75th,
09:30:19 14 90th.

09:30:20 15

09:31:05 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

09:31:37 12

A. We have thousands of jobs at Adobe.

09:31:41 13

Q. What is TTC?

09:31:44 14

A. Total target compensation. So we define that

09:31:46 15

as your base salary plus your cash incentive.

09:31:57 16

Q. And when you say "cash incentive," are you

09:31:59 17

referring to the incentive payments that we just

09:32:01 18

discussed?

09:32:01 19

A. Either the sales commissions or the variable.

09:32:06 20

Q. And you mentioned part of the benchmarking

09:32:08 21

process was looking at the salaries -- or looking at the

09:32:10 22

surveys, rather --

09:32:11 23

A. Uh-huh.

09:32:11 24

Q. -- to determine whether or not Adobe is aligned

09:32:13 25

to market?

09:32:14 1 A. Yeah.

09:32:14 2 Q. So what if Adobe -- what if you determined
09:32:18 3 Adobe wasn't aligned to market?

09:32:20 4 A. So what we would do is -- so the process, we're
09:32:23 5 kind of unique from most companies in that we don't have
09:32:26 6 a grade structure. We market price. So every job has a
09:32:31 7 direct and discrete range that goes along with it.

09:32:35 8 So part of our exercise entails looking at
09:32:39 9 every single job, comparing it against the market data.
09:32:43 10 And we have a specific percentile that we're targeting
09:32:46 11 within that market data. It's the 65th percentile.

09:32:49 12 And so what we do is in some cases, we are
09:32:55 13 ahead of market, and that means we must adjust the range
09:32:58 14 down. In other instances we're behind the market and we
09:33:00 15 adjust the range up. So we do that kind of on an
09:33:04 16 individual job basis.

09:33:05 17 Once we go through that exercise, we then
09:33:07 18 aggregate that data. And what that basically does is on
09:33:11 19 an aggregate level, it tells us either overall you are
09:33:15 20 aligned and you are good, you don't need to request
09:33:17 21 additional funding to adjust your ranges.

09:33:20 22 You may end up being behind, in which case we
09:33:23 23 kind of have to cost that out and then we go have a
09:33:27 24 conversation with the finance organization to say, look,
09:33:31 25 we're behind the market a little bit. In order for us

09:33:33 1 to kind of catch up, you know, we're going to need a
09:33:36 2 focal review of X amount of dollars.

09:33:38 3 And in some instances, if we're kind of ahead
09:33:41 4 of the market we may not require as much money from a
09:33:45 5 focal perspective. So we ultimately end up aggregating
09:33:50 6 that and that kind of defines what we need in terms of
09:33:52 7 an annual review of focal budget.

09:33:55 8 Q. So you -- if you review the survey data and
09:33:59 9 determine that Adobe is paying behind the 65th
09:34:04 10 percentile -- and when you say "65th percentile," are
09:34:06 11 you trying to target the midpoint of each salary range
09:34:10 12 of the 65th percentile?

09:34:11 13 A. Yeah. The midpoint of each salary range.
09:34:14 14 Correct.

09:34:17 15 Q. And if you believe that Adobe needs more money
09:34:23 16 to pay salaries in order to hit that 65th percentile --

09:34:27 17 A. On an aggregate level.

09:34:28 18 Q. -- on an aggregate level, you need to go to the
09:34:31 19 finance organization?

09:34:32 20 A. We do. Yeah.

09:34:33 21 Q. How does that happen?

09:34:35 22 A. So essentially -- it's part of the budgeting
09:34:37 23 process. So, you know, every year as we're going
09:34:39 24 through budgeting processes, one of the main things we
09:34:41 25 have to do is we have to look at what do we anticipate

09:34:43 1 that we're going to need to budget in terms of the focal
09:34:46 2 review process.

09:34:46 3 So after we've gone through our exercise and we
09:34:48 4 see kind of from a market perspective where our ranges
09:34:51 5 are lining up, we'll engage in a conversation with the
09:34:54 6 finance organization to say, you know, this is what we
09:34:56 7 believe we need.

09:34:58 8 They'll come back to us and say, well, this is
09:35:01 9 what we can financially afford to give you, and we end
09:35:04 10 up coming to a compromise. And sometimes we get what we
09:35:07 11 need, and other times they've come back and said, you
09:35:10 12 know what, we can't afford to do that, and this is what
09:35:13 13 we can give you.

09:35:14 14 Q. So when you say that you -- and what you get
09:35:16 15 back from the finance organization is a budget for
09:35:19 16 increasing salaries at the focal review time?

09:35:21 17 A. Exactly. Exactly. So the ranges
09:35:25 18 automatically -- I shouldn't say automatically. We
09:35:27 19 adjust the ranges. So if they've gone up or down, those
09:35:32 20 get adjusted. What the focal does is determine, you
09:35:35 21 know, based on budgets that managers will have, whether
09:35:38 22 individuals -- how much individuals can get adjusted.

09:35:43 23 THE VIDEOGRAPHER: Excuse me. Can you avoid of
09:35:45 24 touching the cable.

09:35:48 25 THE WITNESS: I'm sorry. I do a lot with my

09:35:49 1 hands. I'll try to keep them up here.

09:35:52 2 THE VIDEOGRAPHER: It makes a noise --

09:35:53 3 THE WITNESS: I use my hands a lot.

09:35:57 4 MS. LEEBOVE: Q. And what if you review

09:35:59 5 Adobe salaries against the survey data and find that

09:36:05 6 Adobe -- that the midpoint of Adobe salary ranges is

09:36:10 7 higher?

09:36:10 8 A. We'll adjust them down.

09:36:12 9 Q. Do you adjust salary ranges down?

09:36:13 10 A. Yeah.

09:36:21 11 Q. Is it Adobe's practice not to adjust actual

09:36:23 12 salaries themselves down if the ranges go down?

09:36:28 13 A. Correct. Like an individual's salary? Is that

09:36:31 14 what you are referencing? Yeah.

09:36:33 15 Q. So if the salary range goes down, individual

09:36:36 16 salaries do not go down?

09:36:37 17 A. No. But the position within the range changes,

09:36:39 18 right?

09:36:44 19 Q. I guess everyone would be slightly higher in

09:36:46 20 the range if the salary goes down?

09:36:48 21 A. Exactly.

09:36:49 22 Q. That's about all the math I can do right there.

09:36:51 23 A. That's good. That's really good.

09:36:54 24 Q. And if the ranges go up, do salaries increase?

09:36:57 25 A. No.

09:36:58 1 Q. How do --

09:37:00 2 A. Their position now changes lower into the
09:37:02 3 range.

09:37:14 4 Q. Does Adobe ever bring individuals whose base
09:37:19 5 salaries are lower than the low end of their salary
09:37:22 6 range up to minimum as part of the focal process?

09:37:27 7 A. So, yeah. Each range has a minimum and a
09:37:29 8 maximum. If folks are below the minimum of the range,
09:37:34 9 we will typically red flag them. That, to us, you know,
09:37:38 10 can mean a number of things. It can mean that the
09:37:41 11 market has moved significantly and we haven't been able
09:37:44 12 to keep up from an individual perspective. Sometimes
09:37:47 13 it's a skill gap issue.

09:37:49 14 So, you know, our practice has been is, is we
09:37:51 15 will adjust them to the minimum as part of the annual
09:37:55 16 review, they get red flagged, and then we have a
09:37:58 17 conversation with the manager to say, you know, we have
09:38:02 18 a minimum for a reason because we believe you need to be
09:38:04 19 in this range to be competitive. You know, is there any
09:38:06 20 reasons why you might not want to adjust. And so it
09:38:11 21 becomes manager's discretion in terms of whether they
09:38:13 22 want to do that.

09:38:14 23 And sometimes they have legitimate reasons for
09:38:16 24 why. You know, certainly as you start to get into less
09:38:20 25 mature markets, like outside of the U.S., there is a lot

09:38:23 1 more volatility, so, you know, managers will come to us
09:38:26 2 and say you know what, we don't need to be paying this.
09:38:28 3 We can kind of get them for not this amount. This is
09:38:30 4 not what's driving them. So there is a number of
09:38:33 5 factors, but yeah. It ultimately is manager's
09:38:36 6 discretion.

09:38:38 7 Q. As a compensation analyst, did you ever study
09:38:44 8 whether employees were -- how many employees were being
09:38:47 9 paid below the range for their job?

09:38:50 10 A. It's part of the reporting. So we'll look at
09:38:52 11 how many employees are below the minimum, we'll look at
09:38:55 12 how many are above the maximum, we'll look at how many
09:38:58 13 are targeted, you know, in what percentile. So, yeah,
09:39:00 14 we definitely look at that information.

09:39:06 15 Q. Has that been true for -- if I use the term
09:39:09 16 "class period," do you understand what I would be --
09:39:13 17 what I'm referring to?

09:39:14 18 A. No.

09:39:15 19 Q. So the class period -- and we'll talk about
09:39:19 20 your declaration a little bit later.

09:39:20 21 A. Okay.

09:39:21 22 Q. But when I refer to the class period, I'm
09:39:24 23 talking about the period of time between January 1st,
09:39:27 24 2005 and December 31st, 2009.

09:39:29 25 A. Okay.

09:39:31 1 Q. So do you know whether for the entire -- for
09:39:34 2 the entire class period it's been Adobe's policy to
09:39:41 3 review whether employees are being paid in or out of
09:39:44 4 range?

09:39:45 5 A. So yeah. So it's always been a part of the
09:39:48 6 process to kind of look at where employees are
09:39:50 7 positioned relative to the ranges that we're developing.

09:39:57 8 Q. And has this process of -- and has Adobe
09:40:01 9 participated in surveys for the whole class period?

09:40:04 10 A. As long as I can remember, yeah.

09:40:06 11 Q. And has Adobe engaged in this annual process of
09:40:09 12 comparing its salaries to market on an annual basis --

09:40:12 13 A. Yes.

09:40:12 14 Q. -- throughout the class period?

09:40:13 15 A. Yeah.

09:40:23 16 (Discussion off the record.)

09:40:33 17 MS. LEEBOVE: Q. So we were talking about
09:40:34 18 your job duties as a compensation analyst, and you
09:40:36 19 mentioned surveys, benchmarking, analysis. And was
09:40:41 20 the analysis that we just discussed the analysis
09:40:44 21 that you were talking about when you referred to
09:40:48 22 doing analysis as a compensation analyst?

09:40:50 23 A. That's one of them.

09:40:51 24 Q. What other sorts of analyses did you do as a
09:40:54 25 compensation analyst?

09:44:41 1 moved from a career compensation analyst to a senior
09:44:45 2 compensation analyst?

09:44:49 3 A. I would say it's more about the types of
09:44:52 4 projects, and kind of from a support perspective, the
09:44:57 5 type of visibility you get in terms of who you are
09:44:59 6 interfacing with from a client support perspective.

09:45:03 7 The core of the work is still the same, you are
09:45:06 8 doing analyzing and benchmarking and a lot of that.
09:45:09 9 It's just the types of programs are more highly visible.
09:45:11 10 So from that perspective, no. When I made the jump from
09:45:16 11 an individual contributor to a manager, then I would say
09:45:18 12 yeah, much more significant. Because now I'm all of a
09:45:21 13 sudden having to manage people which adds a whole
09:45:24 14 different dynamic.

09:45:24 15 Q. So you became a manager in 2006-ish?

09:45:27 16 A. Yeah. I should have looked up my chronology.

09:45:34 17 Q. And you moved from -- and I just want to make
09:45:37 18 sure that I'm getting this straight because I've --

09:45:41 19 A. I don't know if I remember it either. I have
09:45:43 20 to go look it up, it's been so long. But yeah.

09:45:46 21 Q. But you moved from an analyst role to a manager
09:45:48 22 of global compensation role?

09:45:50 23 A. I did, yeah.

09:45:51 24 Q. And what did your job as a senior manager -- or
09:45:56 25 were you a manager first and then a senior --

09:45:58 1 A. And then a senior manager. Yeah.

09:46:02 2 MR. KIERNAN: So were you the program manager?

09:46:05 3 THE WITNESS: So no, it was -- analyst, senior
09:46:08 4 analyst, program manager, career level manager, senior
09:46:12 5 level manager, director. So just moving up in levels,
09:46:16 6 right? We have lots of levels at Adobe.

09:46:21 7 MR. KIERNAN: I hope you got that.

09:46:25 8 THE WITNESS: Again, analyst, senior analyst,
09:46:27 9 career level manager, senior level manager -- I forgot
09:46:33 10 the program in between the manager and the senior
09:46:35 11 analyst.

09:46:41 12 MS. LEEBOVE: Q. When you were a program
09:46:43 13 manager, were you still working functionally as an
09:46:48 14 analyst?

09:46:49 15 A. It was definitely functionally as an analyst.
09:46:52 16 My audience there, though, was I was doing executive
09:46:55 17 comp. So the programs that I was supporting were the
09:46:58 18 board of directors, the officers of the company, and
09:47:01 19 kind of VP level and above. So again, just same kind of
09:47:06 20 concepts, but a different audience.

09:47:12 21 Q. And then when you became -- the career level
09:47:15 22 manager position was the manager of global compensation,
09:47:17 23 am I right?

09:47:18 24 A. Exactly. Yeah.

09:47:20 25 Q. And what were your job duties as the manager of

09:47:23 1 global compensation?

09:47:24 2 A. So, you know, we tend to be working managers,
09:47:26 3 so I did some level of analysis and benchmarking, some
09:47:32 4 of that other stuff. But my primary focus, I would say
09:47:35 5 about 70 percent of my time, was more directing the
09:47:38 6 projects, you know, and disbursing them on the team and
09:47:41 7 doing check-ins with my team, providing guidance. That
09:47:45 8 sort of thing. So it was more managing people as
09:47:48 9 opposed to doing the actual work.

09:47:53 10 Q. How many reports did you have as the manager of
09:47:55 11 global compensation?

09:47:56 12 A. Oh, my God. We'd have to go back. We've had
09:48:00 13 so many fluctuations. I would say between three and
09:48:05 14 five.

09:48:06 15 Q. Okay. As the manager of global compensation,
09:48:12 16 were you responsible for allocating your focal budget to
09:48:17 17 your three to five direct reports?

09:48:20 18 A. Yeah. Just like a manager. Yeah.

09:48:29 19 Q. Was your -- was it when you assumed the title
09:48:32 20 of manager of global compensation that you first were
09:48:35 21 responsible for allocating a focal budget among reports?

09:48:39 22 A. For making recommendations, yeah. As an
09:48:41 23 individual contributor I was never responsible for
09:48:43 24 making recommendations.

09:48:46 25 Q. And did you directly allocate the focal budget,

10:46:11 1 Q. Roughly?

10:46:12 2 A. Roughly about 12,000 globally.

10:46:18 3 Q. Do you know how many of the roughly 12,000 jobs
10:46:21 4 globally are in the United States?

10:46:25 5 A. 12,000 employees.

10:46:26 6 Q. Of the -- right. Do you know of the -- of
10:46:30 7 Adobe's roughly 12,000 employees, do you know how many
10:46:33 8 reside in the United States?

10:46:34 9 A. Roughly 6,000.

10:46:40 10 Q. Is it fair to say that throughout the class
10:46:41 11 period, approximately half of Adobe's employees have
10:46:44 12 been located in the U.S.?

10:46:48 13 A. I don't know. Our distribution has shifted
10:46:51 14 over the years, so I don't know that it's always been
10:46:54 15 half.

10:46:55 16 Q. Okay. Do you know how many job categories
10:46:58 17 Adobe has currently?

10:47:03 18 A. No.

10:47:10 19 Q. Do you know whether there have been efforts
10:47:12 20 over time to reduce or streamline Adobe's job
10:47:16 21 categories?

10:47:18 22 A. We have tried to consolidate the number of jobs
10:47:21 23 we utilize, yes.

10:47:26 24 Q. How so?

10:47:28 25 A. So as I mentioned earlier, every job has a

10:47:33 1 discrete salary range, [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

10:48:19 11 Q. Further down in paragraph 4 of Donna Morris'
10:48:22 12 declaration, and I'm picking up just at the very last
10:48:25 13 line of page 1, she states, "[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]."

10:48:52 18 Did I get that right?

10:48:54 19 A. Yep.

10:48:59 20 Q. What is the purpose -- or what purpose is
10:49:02 21 served by helping to guide compensation decisions?

10:49:09 22 A. What purpose is served? Kind of -- can you
10:49:12 23 help me understand your question?

10:49:14 24 Q. Well, why -- why does Adobe want to -- or why
10:49:25 25 has Adobe wanted to help guide compensation decisions as

10:49:33 1 Ms. Morris states in her declaration?

10:49:38 2 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

10:50:01 8 Q. Well, in what -- Ms. Morris states, "to help

10:50:13 9 guide compensation decisions." I guess my question is,

10:50:15 10 to help guide compensation decisions in what direction

10:50:20 11 or --

10:50:21 12 A. Probably in any direction. So as a manager we

10:50:24 13 make decisions around new hires, we make decisions

10:50:27 14 around annual review, we make decisions around

10:50:30 15 promotions. And so, you know, a salary range, you know,

10:50:35 16 helps you from the perspective of identifying kind of

10:50:38 17 what the appropriate level of pay could be for a

10:50:42 18 particular job.

10:50:46 19 You know, a job description helps in ensuring

10:50:48 20 that you are kind of looking at the right kind of job

10:50:50 21 and the right, you know, pay information as it relates

10:50:54 22 to your job.

10:50:59 23 Q. So did -- or does Adobe assign each employee a

10:51:04 24 job code -- well, let me back up.

10:51:10 25 Does each job code have a salary range

10:51:13 1 associated with it?

10:51:13 2 A. It does. Correct.

10:51:21 3 Q. And so by assigning each employee a job code

10:51:25 4 and a salary range, is Adobe trying to guide

10:51:28 5 compensation decisions into the salary range?

10:51:35 6 MR. KIERNAN: Objection to form.

10:51:38 7 THE WITNESS: No. You know, I think what you

10:51:39 8 do is you assign a job code to an employee. As managers

10:51:45 9 are potentially looking at hiring somebody in, that

10:51:49 10 range acts as a reference point to help guide them in

10:51:51 11 terms of, you know, what they want to bring a person in.

10:51:54 12 Once they're in the company, that range kind of

10:51:57 13 serves as a mechanism for people to understand kind of

10:52:01 14 the value of a particular job from the perspective of

10:52:04 15 the range -- or the perspective of the market. Where

10:52:06 16 you fall within that range between the min and the

10:52:10 17 maximum is based on, you know, your contributions as an

10:52:14 18 employee. We have a, you know, pay for performance

10:52:17 19 model at Adobe, and so, you know, where individuals are

10:52:21 20 positioned within a range can fluctuate up or down based

10:52:25 21 on their contributions.

10:52:29 22 MS. LEEBOVE: Q. Is the purpose of the

10:52:32 23 salary ranges that are associated with job codes to

10:52:36 24 guide managers to compensate employees within the

10:52:41 25 salary range assigned to their job code?

10:52:44 1 MR. KIERNAN: Object to form.

10:52:49 2 THE WITNESS: So the purpose of the range is
10:52:51 3 really to act as, again, an indicator of what's the
10:52:56 4 value of this particular job. And, you know, we educate
10:53:01 5 around how you might use the breadth of a range when you
10:53:06 6 are thinking about as a manager, how you might want to
10:53:09 7 compensate somebody.

10:53:11 8 So again, based on their contributions, their
10:53:14 9 skill set, whether they're new into a role versus
10:53:20 10 somebody seasoned, you know, they can fluctuate all
10:53:22 11 across that span of that range. So it's an indicator.

10:53:31 12 MS. LEEBOVE: Q. Does Adobe generally
10:53:46 13 believe that employees should be paid within the
10:53:49 14 salary range assigned to their job code?

10:53:53 15 A. It depends, right? They're case by case
10:53:58 16 situations, but generally we have a range for a reason.
10:54:00 17 We believe that in order to be competitive to the
10:54:02 18 market, this is roughly the range that you need to be
10:54:05 19 paying people in. And that kind of, you know, puts a
10:54:08 20 check mark next to competitiveness.

10:54:10 21 However, again, where an individual is placed
10:54:14 22 is dependent on a number of different factors. And so,
10:54:17 23 you know, you will find examples of people that are not
10:54:19 24 within the range.

10:54:24 25 Q. Does Adobe do any studies as to whether

10:54:26 1 employees are being paid in or out of range?

10:54:29 2 A. We do. We not only look at those below, but we
10:54:33 3 look at those above, we look at people where they're
10:54:36 4 positioned within the actual range. So we do look at
10:54:40 5 that information.

10:54:49 6 Q. Is it the compensation analysts who look at
10:54:51 7 that information and make those determinations?

10:54:53 8 A. It is the compensation analyst that does that.

10:55:02 9 Q. Do the salary ranges associated with each job
10:55:06 10 code generally -- well, are they -- do they exist in
10:55:10 11 part to make compensation decisions more expedient?

10:55:15 12 A. I wouldn't say it's an expedient issue. It's
10:55:20 13 more of a, you know, what do we need to be targeting in
10:55:25 14 order to be competitive.

10:55:27 15 Q. What would happen if there were no salary
10:55:32 16 ranges associated with each job code? How would
10:55:35 17 compensation be determined then?

10:55:37 18 MR. KIERNAN: Object to form.

10:55:39 19 THE WITNESS: I don't know.

10:55:48 20 MS. LEEBOVE: Q. Did you say you didn't
10:55:49 21 know?

10:55:49 22 A. Yeah. Don't know.

10:55:53 23 Q. Continuing on with paragraph 4 of Ms. Morris'
10:55:58 24 declaration, the very last phrase in paragraph 4, which
10:56:03 25 appears on page 2 says, "[REDACTED]"

10:56:07 1

[REDACTED]

10:56:10 2

[REDACTED]. " Do you see that?

10:56:14 3

A. Yeah.

10:56:15 4

Q. Is that true?

10:56:15 5

A. Yeah. Roughly.

10:56:20 6

Q. And how have the job codes changed over time?

10:56:24 7

A. I think we -- you can see fluctuations, right?

10:56:30 8

With the acquisition of new companies, you bring in some

10:56:34 9

new jobs, because sometimes we inherit talent that are

10:56:40 10

in roles that we may not have had previously. We add.

10:56:44 11

So as we expand into different geographies, you've got

10:56:48 12

to create job codes for, you know, roles in those

10:56:50 13

geographies. So we tend to see those numbers fluctuate

10:56:56 14

up or down. Or if we close offices or close a

10:56:59 15

particular geography, then you might see them go away.

10:57:04 16

Q. And has there been an effort within Adobe to

10:57:07 17

reduce the number of job codes Adobe uses for its

10:57:09 18

employees?

10:57:11 19

A. [REDACTED]

10:57:13 20

[REDACTED]

10:57:22 21

Q. Do you know how many unique job codes Adobe

10:57:25 22

currently uses?

10:57:26 23

A. I don't.

10:57:29 24

Q. Do you know whether Adobe has tracked the

10:57:30 25

number of job codes that have been in use throughout the

11:07:56 1 A. Yes, I did.

11:07:56 2 Q. When did that happen?

11:07:57 3 A. In January of 2012 -- or '13. I'm sorry.

11:08:03 4 Q. Had Debbie Streeter disagreed with your salary
11:08:06 5 recommendations for your four reports, would she have --
11:08:10 6 would her opinion have prevailed over yours?

11:08:14 7 A. I don't know.

11:08:19 8 Q. Have you ever disagreed with your supervisor --

11:08:22 9 A. I have.

11:08:24 10 Q. -- over -- well, let me ask the whole question.

11:08:31 11 Have you ever disagreed with your supervisor
11:08:33 12 over compensation decisions for your reports?

11:08:35 13 A. I have.

11:08:41 14 Q. When did you -- when did the disagreement
11:08:43 15 occur?

11:08:45 16 A. It -- well, there has been several. I couldn't
11:08:49 17 remember exactly when.

11:08:50 18 Q. Did you have any disagreements over the most
11:08:52 19 recent focal review in January?

11:08:53 20 A. No.

11:09:03 21 Q. Can you remember the most recent instance when
11:09:05 22 you disagreed with your manager over salary decisions
11:09:08 23 you made with -- salary decisions you wanted to make
11:09:11 24 with respect to your reports?

11:09:14 25 A. I don't remember the specifics, but I can

11:09:17 1 recollect the person.

11:09:21 2 Q. Do you recollect generally what happened when
11:09:23 3 you had that disagreement?

11:09:24 4 A. Yeah. I was able to convince her I was
11:09:27 5 correct.

11:09:27 6 Q. And what had you wanted to do that your
11:09:29 7 supervisor disagreed with?

11:09:31 8 A. I wanted to give them a greater increase than
11:09:35 9 the tool.

11:09:39 10 Q. You wanted to give all of your employees at the
11:09:40 11 time a greater increase than the tool?

11:09:43 12 A. Just this one particular individual.

11:09:52 13 Q. And what happened?

11:09:52 14 A. I gave her the greater increase.

11:09:58 15 Q. And when you say "greater increase than the
11:10:00 16 tool," what tool are you referring to?

11:10:02 17 A. Oh, we have a salary tool where managers go in
11:10:06 18 and make their salary recommendations.

11:10:14 19 Q. Is this salary tool, is it a software tool --

11:10:17 20 A. It is.

11:10:17 21 Q. -- that is part of the focal review process?

11:10:20 22 A. It is. It's an online tool that's home grown,
11:10:23 23 developed internally.

11:10:29 24 Q. Do you know who developed -- what is it called,
11:10:31 25 the salary -- just the salary tool?

11:10:33 1 A. Salary planning tool.

11:10:34 2 Q. Okay. Has the salary planning tool existed for
11:10:41 3 the -- did the salary planning tool exist for the entire
11:10:43 4 class period?

11:10:44 5 A. No.

11:10:45 6 Q. When did the salary planning tool come into
11:10:48 7 being?

11:10:49 8 A. This one was built for this particular review
11:10:53 9 process. So it officially went live in December of
11:10:58 10 2012.

11:11:04 11 Q. Was there a prior iteration of the salary
11:11:06 12 planning tool before the December '12 rollout that you
11:11:11 13 just mentioned?

11:11:12 14 A. Several during the class period.

11:11:17 15 Q. So let me step back and rephrase my question.
11:11:19 16 Has there been a salary planning tool for the entire
11:11:25 17 class period?

11:11:28 18 A. No.

11:11:29 19 Q. Can you tell me more about the several salary
11:11:32 20 planning tools that have existed at Adobe?

11:11:34 21 A. Yeah. So this latest one was home grown tool.
11:11:38 22 From -- for kind of the 2000 -- and I guess -- 12 review
11:11:46 23 period, we used Taleo. I can't remember the exact
11:11:54 24 dates, but we used Taleo. And prior to Taleo we used
11:11:57 25 SAP.

11:12:02 1 Q. Let me get this straight. So now Adobe uses --
11:12:05 2 let's just call it the salary planning tool. Prior to
11:12:08 3 the salary planning tool, Adobe used Taleo?

11:12:10 4 A. Taleo had a salary planning tool. So they have
11:12:13 5 many products, they had a salary planning tool that we
11:12:15 6 used.

11:12:17 7 Q. When did Adobe use Taleo's salary planning
11:12:20 8 pool? For what time period?

11:12:22 9 A. It was definitely before this one, but I can't
11:12:25 10 remember -- we used it for two years. So two years
11:12:28 11 prior to this last one we used Taleo.

11:12:36 12 Q. And what is SAP?

11:12:38 13 A. Yeah. I don't know what it's specifically --
11:12:41 14 but SAP salary planning tool would have been what we
11:12:44 15 used prior to Taleo's salary planning tool.

11:12:55 16 Q. What was the function of the SAP salary
11:12:59 17 planning tool?

11:13:00 18 A. Same function as the Taleo and the one we have
11:13:04 19 now. Essentially a mechanism for managers to go online,
11:13:09 20 make salary recommendations, bonus recommendations, and
11:13:14 21 submit them.

11:13:20 22 Q. Have these three -- is it fair to call all
11:13:24 23 three of these tools the salary planning tool, the SAP,
11:13:27 24 and the Taleo, salary planning tools?

11:13:29 25 A. Yes.

11:13:29 1 Q. Okay. Can we refer to them generally as salary
11:13:34 2 planning tools?

11:13:36 3 A. Yes.

11:13:37 4 Q. Have the salary planning tools also helped
11:13:40 5 managers to stay within their merit increase budgets?

11:13:43 6 A. Yes.

11:13:49 7 Q. Does the salary -- has the salary planning tool
11:13:54 8 helped -- well, scratch that.

11:13:56 9 Has the salary planning tool proposed merit
11:14:06 10 increases to particular employees? How does -- well,
11:14:08 11 can you tell me how the salary planning tool has worked?

11:14:11 12 A. Yeah. So essentially the salary planning tool
11:14:16 13 is populated with employee information for a particular
11:14:21 14 manager, so the employees on their team. You have the
11:14:24 15 ability to kind of look at their current compensation.
11:14:28 16 It shows them what the range is for the current role
11:14:34 17 that they're in. It provides information around what
11:14:39 18 their budget is in terms of what they can spend to do
11:14:43 19 the annual review, and then it's got some other detailed
11:14:46 20 information like, you know, what's the job they're in,
11:14:48 21 the level they're in, some personal data. So managers
11:14:54 22 essentially use that to provide recommendations.

11:14:59 23 The tool also has the ability to provide kind
11:15:03 24 of the guidelines that we recommend in terms of how
11:15:09 25 managers might want to think about spending their

11:15:13 1 allocated budget.

11:15:15 2 Q. Does -- or has the salary planning tool had a
11:15:18 3 function that a manager could input an employee's
11:15:23 4 performance rating --

11:15:27 5 A. Previously --

11:15:27 6 Q. -- and then --

11:15:30 7 A. Go ahead. I'll let you finish.

11:15:32 8 Q. We can make that one question.

11:15:33 9 Has the salary planning tool had a function
11:15:35 10 that a manager could input an employee's performance
11:15:38 11 rating and that the tool would generate a recommendation
11:15:40 12 about a salary increase?

11:15:42 13 A. So the tool prior to this year has had the
11:15:47 14 ability for us to input a performance rating because we
11:15:51 15 required managers to kind of assess performance. We no
11:15:54 16 longer are requiring a specific label around a rating.

11:16:00 17 So for this year, that wouldn't have been
11:16:02 18 applicable. But in prior years, yes. In terms of, you
11:16:06 19 know, that performance rating automatically generating a
11:16:10 20 salary recommendation, no.

11:16:17 21 Q. During the class period, did whichever
11:16:21 22 performance tool Adobe was using generate a salary
11:16:24 23 recommendation for each employee?

11:16:26 24 A. No. You have the ability -- so you have this
11:16:30 25 guideline, and you have the ability to kind of key in

11:16:34 1 what percentage increase or what dollar value increase
11:16:37 2 you want to give. But it doesn't automatically do that
11:16:41 3 for you.

11:16:43 4 Q. So the salary planning tool did not provide a
11:16:46 5 function where a manager could enter in additional
11:16:50 6 employee information beyond what was already populated
11:16:53 7 there?

11:16:53 8 A. Correct.

11:16:54 9 Q. And the planning tool would spit out a proposed
11:16:59 10 merit increase percentage or dollar figure?

11:17:01 11 MR. KIERNAN: Object to form.

11:17:05 12 THE WITNESS: So what the tool would do is, as
11:17:07 13 a manager I would go in, make my recommendation. It
11:17:12 14 would store that information. And then as an
11:17:16 15 administrator or as a manager, I could then run a report
11:17:21 16 that would show me the recommendations I had inputted
11:17:25 17 into the tool.

11:17:35 18 MS. LEEBOVE: Q. As a manager using the
11:17:36 19 salary tools, did you have to propose the amount by
11:17:43 20 which you wanted to increase an employee's
11:17:46 21 compensation?

11:17:46 22 A. Yes. You had two ways to do that. You could
11:17:49 23 either propose a percentage increase and just say I want
11:17:52 24 to give this person 3 percent, or you could go in and
11:17:56 25 input a dollar value. And it would calculate either

11:20:39 1 Q. Do you mean if Adobe programmed the tool to
11:20:42 2 default as a matter of Adobe policy?

11:20:44 3 MR. KIERNAN: Object to form.

11:20:45 4 THE WITNESS: No. Your question to me was, you
11:20:47 5 know, does the software, you know, provide a mechanism
11:20:49 6 for the lazy manager to go ahead and input a ranking and
11:20:53 7 then automatically recommend an increase? And I'm
11:20:55 8 saying unless -- I don't think that would have been the
11:20:58 9 case, I can't remember, because we had a range typically
11:21:03 10 for any performance level. It wasn't like a flat
11:21:05 11 amount.

11:21:06 12 And so unless we programmed to some sort of
11:21:10 13 default within that range, it wouldn't have known what
11:21:13 14 to pick, right? So I guess I'm telling you I don't know
11:21:17 15 because I don't remember what was programmed.

11:21:19 16 MS. LEEBOVE: Q. Okay then, I'll stick
11:21:21 17 with the "I don't know."

11:21:29 18 So I'm turning to paragraph 7, back to
11:21:33 19 paragraph 7 of Donna Morris' declaration. And the first
11:21:38 20 sentence states, "Adobe did not determine compensation
11:21:41 21 for individual employees on a company-wide basis."

11:21:44 22 Did I read that right?

11:21:45 23 A. Yeah.

11:21:46 24 Q. And is that your understanding -- do you
11:21:48 25 believe that to be true?

11:21:50 1 A. I do.

11:21:58 2 Q. And Ms. Morris continues, "Instead, managers
11:22:01 3 determine the compensation for individual employees
11:22:03 4 within a business unit, and were required to
11:22:06 5 differentiate compensation among employees based on
11:22:09 6 performance levels, performance reviews, and the
11:22:12 7 manager's assessment of the employee's expected future
11:22:15 8 contribution to the company."

11:22:17 9 Did I get that right?

11:22:18 10 A. Correct.

11:22:19 11 Q. Do you agree with that as well?

11:22:20 12 A. I do.

11:22:21 13 Q. How did Adobe require managers to differentiate
11:22:25 14 compensation among employees?

11:22:28 15 A. So we, again, provided a guideline and
11:22:32 16 framework. We have a pay for performance philosophy, so
11:22:35 17 our ask of managers was that, you know, they factor in
11:22:41 18 contributions of the employee in their performance when
11:22:43 19 making their decisions. We would provide a guideline
11:22:48 20 that would say, you know, based on this ranking, you
11:22:51 21 might want to think about a increase within this range.

11:22:56 22 And so the guidelines were structured in such a
11:22:59 23 way that they helped encourage differentiation. But
11:23:02 24 ultimately the manager kind of is responsible for making
11:23:04 25 that decision.

11:23:10 1

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

11:23:42 11

Q. How does Adobe go about differentiating

11:23:45 12

compensation based on performance?

11:23:48 13

MR. KIERNAN: Object to form.

11:23:50 14

THE WITNESS: Again, we put the onus on the

11:23:52 15

manager, you know, through our trainings. And we're

11:23:57 16

pretty transparent with this with our employees too. We

11:24:00 17

constantly talk about the fact that we are a pay for

11:24:02 18

performance company that, you know, we expect that

11:24:07 19

employees that are contributing at a higher level are

11:24:10 20

going to realize higher compensation in general.

11:24:15 21

But it's also very individual, right? And

11:24:19 22

managers kind of make those assessments and judgments on

11:24:22 23

an individualized basis. It can be very different, but

11:24:25 24

from a framework and a guidelines perspective, a lot of

11:24:28 25

the education and the discussions and the information

11:24:29 1 that we share, we kind of keep hounding that notion in,
11:24:32 2 right? Pay for performance, make sure we're
11:24:35 3 differentiating. This is not a "everybody gets paid the
11:24:40 4 same" environment.

11:24:46 5 Q. Do you know when Adobe started using the term
11:24:49 6 "pay for performance" to describe its compensation
11:24:52 7 philosophy?

11:24:53 8 A. Yeah. I'd have -- I don't know exactly when.
11:24:55 9 I'd have to go look at our documents, you know. It's
11:25:00 10 very prevalent in the world of compensation. So I feel
11:25:03 11 like it's been around forever, but I'd have to go back
11:25:10 12 and look at Adobe's documentation to see when we started
11:25:14 13 marketing it that way.

11:25:16 14 Q. Do you know when Adobe started using the term
11:25:18 15 "differentiating" to describe its -- or differentiating
11:25:20 16 based on performance?

11:25:21 17 A. No. I don't remember exactly when.

11:25:33 18 Q. Is it fair to say that Adobe has aspired to pay
11:25:35 19 for performance and differentiate salaries based on
11:25:38 20 performance throughout the class period?

11:25:40 21 A. Yes.

11:25:51 22 MR. KIERNAN: Can we take a short break if you
11:25:52 23 are going into another paragraph?

11:25:54 24 MS. LEEBOVE: Uh-huh.

11:25:55 25 MR. KIERNAN: Just five minutes.

11:40:34 1 Job Leveling.

11:40:36 2 A. Okay.

11:40:37 3 Q. Just let me know when you've had a chance to
11:40:39 4 review it or if you are already familiar with it.

11:41:07 5 MR. KIERNAN: You should feel free to read the
11:41:08 6 entire email too. She didn't mean to suggest that you
11:41:11 7 only have to read the attachment.

11:41:13 8 THE WITNESS: Okay.

11:41:19 9 MS. LEEBOVE: Certainly take all the time you
11:41:20 10 need to review the entire document. My questions,
11:41:23 11 though, are going to be about the attachment.

11:43:26 12 MR. KIERNAN: While she's reviewing that, I
11:43:27 13 just noticed that it looks like the document has two
11:43:30 14 attachments. Do you know if the exhibit only had one?
11:43:35 15 See the -- if you look at the attachments, one refers to
11:43:40 16 job leveling and then there is an HR Omniture offer.

11:43:47 17 MS. LEEBOVE: I can tell you that we had --
11:43:48 18 typically the way the documents have been produced --

11:43:50 19 MR. KIERNAN: Yeah.

11:43:50 20 MS. LEEBOVE: -- we have to find the exhibit
11:43:53 21 separate from --

11:43:55 22 MR. KIERNAN: The attachment?

11:43:56 23 MS. LEEBOVE: The attachment is usually
11:43:57 24 separate from the exhibit. Sometimes it's noted,
11:44:01 25 sometimes it's not. I know that these pages --

11:44:03 1 MR. KIERNAN: This was the entire exhibit?

11:44:05 2 MS. LEEBOVE: -- constitute the entire Vijungco
11:44:07 3 exhibit. I don't know what appears to be the second
11:44:10 4 attachment.

11:44:10 5 MR. KIERNAN: Okay.

11:44:11 6 MS. LEEBOVE: I don't know where that is.

11:44:14 7 Q. Have you had a chance to review Exhibit 300?

11:44:17 8 A. Yes, I have.

11:44:18 9 Q. Okay. Turning to the attachment -- well, do
11:44:25 10 you recognize the document attached to -- well, first of
11:44:28 11 all, have you ever seen this document before?

11:44:34 12 A. I don't remember seeing it, no.

11:44:40 13 Q. When you say you haven't seen this document
11:44:42 14 before, are you referring to the email messages, or the
11:44:44 15 attachment, or both?

11:44:46 16 A. Both.

11:44:48 17 Q. Having now reviewed the attachment, which
11:44:54 18 begins at page ADOBE_013839, you'll see that item No. 1
11:45:02 19 says, "How does Adobe determine job levels and salary
11:45:06 20 ranges."

11:45:06 21 A. Yes.

11:45:07 22 Q. And then the document, I guess, purports to
11:45:09 23 answer that question.

11:45:10 24 A. Uh-huh.

11:45:12 25 Q. Does the information provided on this document

11:45:14 1 about how Adobe determines job levels and salary ranges
11:45:18 2 appear accurate to you?

11:45:19 3 A. It does.

11:45:20 4 Q. Okay. And did Adobe determine job levels and
11:45:27 5 salary ranges in the manner described on page 013839
11:45:32 6 throughout the class period?

11:45:36 7 A. Roughly. That's the approach that we take. I
11:45:43 8 don't know if every single person is following it
11:45:45 9 exactly, but that's the approach we take.

11:45:48 10 Q. And has this been -- does this document reflect
11:45:51 11 the approach that Apple -- that Adobe took throughout
11:45:53 12 the class period?

11:45:54 13 A. It does.

11:45:59 14 Q. Okay. Turning to page 2 of the attachment,
11:46:04 15 it's the page marked ADOBE_013840. Do you see that
11:46:12 16 where it says item No. 5, "How is pay differentiated at
11:46:16 17 Adobe"?

11:46:16 18 A. Yes.

11:46:17 19 Q. Have you read that paragraph?

11:46:18 20 A. I did.

11:46:19 21 Q. Is that accurate? Is paragraph No. 5 accurate?

11:46:23 22 A. Not entirely. It may have been accurate for
11:46:27 23 this period of time, although I'm not sure what exact
11:46:31 24 period of time this alludes to, but we've not always had
11:46:36 25 four performance levels.

11:46:37 1 Q. Does it currently have four performance levels?

11:46:39 2 A. We currently have no performance levels.

11:46:41 3 Q. When were performance levels eliminated?

11:46:45 4 A. For this year. For the 2012 review period.

11:46:55 5 Q. Do you know why performance levels were

11:46:57 6 eliminated for the 2012 review period?

11:47:01 7 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

11:47:48 19 Q. Prior to the 2012 focal review period, did

11:47:51 20 Adobe use performance ratings to assess employee

11:47:57 21 performance for purposes of the focal review?

11:47:58 22 A. It was one of the things they were asked to do,

11:48:00 23 yes.

11:48:01 24 Q. Were managers asked to assess employee

11:48:03 25 performance according to these -- according to

11:48:05 1 performance levels throughout the class period?

11:48:08 2 A. Yes. I don't know if there were always four
11:48:12 3 throughout that period. At some point we went from
11:48:14 4 three to four.

11:48:17 5 Q. So is it fair to say that for purposes of
11:48:24 6 allocating -- well, is it fair to say that when
11:48:29 7 manager -- for purposes of allocating their annual focal
11:48:33 8 review budget during the class period, managers were
11:48:36 9 required to assign their employees performance levels?

11:48:39 10 A. Yes.

11:48:40 11 Q. But at some point -- at one point there were
11:48:43 12 three performance levels, then there were four
11:48:45 13 performance levels?

11:48:46 14 A. Correct.

11:48:48 15 Q. But throughout the class period, Adobe used
11:48:50 16 performance levels as part of the review process?

11:48:52 17 A. That's correct.

11:48:55 18 Q. What were the three performance levels when
11:48:57 19 there were three?

11:48:58 20 A. So it was HI, solid, and low.

11:49:06 21 Q. And then at some point there were four
11:49:08 22 performance levels, and they're listed here; HI, strong,
11:49:12 23 solid and low?

11:49:13 24 A. Correct.

11:49:21 25 Q. Beyond those changes that we've just discussed

11:49:23 1 in terms of just the number and type of performance
11:49:29 2 levels, does paragraph 5 accurately describe how pay was
11:49:34 3 differentiated at Adobe during the class period?

11:49:37 4 A. Yep.

11:49:46 5 Q. Was there a ratings curve that managers were
11:49:52 6 given by Adobe?

11:49:55 7 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

11:50:27 16 Q. Okay. Are you aware whether Adobe has ever
11:50:35 17 studied the actual pay differentiation among employees
11:50:39 18 of different performance levels?

11:50:44 19 A. Help me understand your question.

11:50:45 20 Q. So I'm trying to understand whether Adobe ever
11:50:49 21 attempted to ascertain that pay was actually different
11:50:56 22 for employees who were ranked HI versus employees who
11:51:00 23 were ranked solid.

11:51:02 24 A. Oh, yeah. So, you know, typically what we do
11:51:06 25 is we do kind of a prefocal analysis and a postfocal

11:51:15 1 analysis. So, you know, some of the reporting back that
11:51:17 2 we do is, you know, did the company stay within their
11:51:19 3 overall budget pools, did we hold to the distributions,
11:51:26 4 did we, in fact, see differentiation?

11:51:31 5 Q. And has Adobe ever studied or attempted to
11:51:35 6 quantify the pay differentiation among employees of
11:51:40 7 different performance levels?

11:51:44 8 A. Quantify in what way?

11:51:46 9 Q. In determining the amount by which
11:51:48 10 high-performing employees were compensated relative to
11:51:53 11 low-performing employees, or even solid-performing
11:51:57 12 employees?

11:51:59 13 A. So what I would say is we've typically produced
11:52:02 14 information that says on average an HI received
11:52:05 15 X-percent increase. On average, a solid received this.

11:52:12 16 Q. Were there reports run about actual pay
11:52:21 17 differentiation among employees of different performance
11:52:24 18 levels?

11:52:25 19 A. So we had the ability to run a report that
11:52:27 20 tells us what rating and what increase each individual
11:52:34 21 gets. And yes, there is reports that aggregate that
11:52:36 22 data and report out averages, the highs, the lows, there
11:52:42 23 is a number of different ways you can look at it.

11:52:51 24 Q. How -- just -- I know that we're outside the
11:52:54 25 class period at this point, but how does Apple -- Apple.

11:52:58 1 How does Adobe currently differentiate among employees
11:53:02 2 for pay purposes in the absence of performance level
11:53:06 3 assignments?

11:53:08 4 A. Yeah, that's a great question. You know, I
11:53:14 5 think what we typically will do is we'll look again at
11:53:17 6 kind of aggregated distributions, like what percentage
11:53:20 7 of the population is sitting, you know, maybe between
11:53:23 8 this level and that level. But beyond that, I don't
11:53:26 9 know that there is necessarily a direct correlation to a
11:53:32 10 particular label like we've had in the past.

11:53:35 11 Q. Okay. And do you know -- I think you
11:53:37 12 mentioned, and I'm not purporting to repeat back word
11:53:43 13 for word what you said. But you said something about
11:53:46 14 the message given to employees about why performance
11:53:50 15 levels were eliminated. Is there a different message
11:53:52 16 that's been given to employees versus to managers --

11:53:55 17 A. No.

11:53:55 18 Q. -- about eliminating performance levels?

11:53:58 19 A. No. It's the same messaging. There has been
11:54:01 20 lots of debates around that, but the messaging has been
11:54:06 21 consistent.

11:54:07 22 Q. Okay. So it's not as if employees have been
11:54:10 23 told that rankings -- or that the performance ratings
11:54:13 24 went away, but in actuality their managers are still
11:54:16 25 using them and they just don't know?

12:15:40 1 constitutes an adequate differentiation based on
12:15:44 2 performance?

12:15:44 3 I know your attorney is going to object to this
12:15:47 4 question.

12:15:50 5 MR. KIERNAN: As soon as I start looking out
12:15:51 6 and gazing out the window.

12:15:56 7 MS. LEEBOVE: Q. But I think your earlier
12:15:59 8 testimony has been that Adobe makes no effort to
12:16:02 9 equalize pay.

12:16:03 10 A. Correct.

12:16:04 11 Q. And so just assuming that every employee is
12:16:14 12 already paid differently, how does -- what does a
12:16:23 13 successful -- what is successful pay differentiation
12:16:27 14 based on performance?

12:16:31 15 MR. KIERNAN: Object to form.

12:16:33 16 THE WITNESS: Yeah. So it's hard to answer
12:16:34 17 that question, right? Because it's so unique and
12:16:38 18 individualized. But, you know, from a compensation
12:16:41 19 practice perspective, you are taking a snapshot in time.
12:16:44 20 And our snapshot generally tends to be the annual focal
12:16:48 21 review, right?

12:16:48 22 So the correlation there is as you start to
12:16:51 23 kind of roll up all this information, what you want to
12:16:54 24 see is that generally an HI is getting, on average, a
12:16:58 25 greater increase than somebody who is a strong, than

12:17:00 1 somebody who is an SC, right?

12:17:08 2 (Reporter clarification.)

12:17:08 3 THE WITNESS: Than somebody who is a solid
12:17:10 4 contributor. An SC. Sorry. We have all of these
12:17:11 5 acronyms.

12:17:13 6 So high impact, strong contributor, solid
12:17:16 7 contributor and a low performer. So on an
12:17:22 8 individualized basis, you may or may not find that
12:17:25 9 people fall into that constraint. But on an aggregate
12:17:28 10 level is what we're really striving for, you want to see
12:17:31 11 that, right? And if you go back and you look at the
12:17:33 12 data, you'll see examples of that.

12:17:37 13 Q. Did Adobe ever target a particular percentage
12:17:40 14 difference in compensation between high performers and
12:17:47 15 strong performers?

12:17:49 16 A. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12:18:16 22 Again, managers ultimately have the discretion,
12:18:19 23 but the way we set up the guidelines, they're structured
12:18:22 24 in such a way that the guidelines actually encourage
12:18:25 25 that differentiation.

12:18:30 1 Q. And are there guidelines that recommend, by
12:18:33 2 percentage, particular -- are there guidelines that
12:18:36 3 recommend to managers a particular percentage salary
12:18:39 4 increase based on an employee's performance ranking?

12:18:43 5 A. [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

12:19:33 17 Q. Have there been percentage range guidelines for
12:19:38 18 salary increases according to performance rating
12:19:41 19 throughout the class period?

12:19:43 20 A. Say that again. Sorry.

12:19:45 21 Q. I don't know if I can.

12:19:49 22 [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

12:20:16 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] Let me back up.

12:20:28 4

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

12:21:09 13

Q. Are you familiar with the term "midpoint

12:21:12 14

compression"?

12:21:13 15

A. I am not familiar with midpoint compression.

12:21:16 16

I'm familiar with midpoint and compression.

12:21:21 17

Q. Well, what is -- are you familiar with use of

12:21:26 18

the term "compression" in compensation speak?

12:21:29 19

A. Yes.

12:21:30 20

Q. And what does the term "compression" mean in

12:21:32 21

compensation language?

12:21:33 22

A. Yeah. So compression essentially means, are

12:21:37 23

you creating kind of an issue -- we typically use it in

12:21:40 24

the context of new hires. So what happens is the

12:21:45 25

external market is moving at a pace that's more

12:21:49 1 accelerated than internal focal budgets allow.

12:21:53 2 So you could have a position where kind of the
12:21:56 3 market value for a new hire coming into the organization
12:21:59 4 is higher than the existing employees and what they're
12:22:04 5 making, right? Because once you are an employee and
12:22:10 6 positioned within a range, your ability to kind of see
12:22:17 7 pay change is typically done through the annual focal
12:22:21 8 process. And those budgets are typically around, you
12:22:27 9 know, 5 percent.

12:22:32 10 Q. And in the world of compensation, is
12:22:39 11 compression a good thing --

12:22:42 12 MR. KIERNAN: Object --

12:22:42 13 MS. LEEBOVE: Q. -- or a bad thing?

12:22:45 14 MR. KIERNAN: Object to form.

12:22:46 15 THE WITNESS: Yeah. I don't know if it's a
12:22:47 16 good thing or a bad thing.

12:22:50 17 MS. LEEBOVE: Q. Is compression something
12:22:53 18 that Adobe has sought to avoid?

12:22:56 19 A. No. We haven't sought to avoid it. It's
12:22:59 20 something that a manager needs to be aware of, right?
12:23:01 21 And again, if you think about it in the context of a new
12:23:06 22 hire, you are going to have kind of what the market
12:23:09 23 values for a particular role, right?

12:23:12 24 But as a manager, as I'm thinking about my
12:23:15 25 particular offer, I need to also think about the

12:23:18 1 contributions of the folks on my team, right? And what
12:23:21 2 they're performing at and where they're at. So
12:23:25 3 oftentimes if I've got high performing employees on my
12:23:30 4 team that are sitting at X range, you know, it's going
12:23:33 5 to be very awkward for me potentially as a manager if I
12:23:36 6 bring in an unknown entity who hasn't really had time to
12:23:40 7 display, you know, their ability to perform within the
12:23:43 8 company at a higher range, right?

12:23:46 9 So it's just something that we ask a manager to
12:23:48 10 consider among a number of different, you know, options.
12:23:52 11 Ultimately they have to make that decision, but it's
12:23:53 12 just something that we ask them to think about so they
12:23:56 13 can make an informed decision.

12:23:58 14 Q. Why would it be awkward for a manager to bring
12:24:01 15 in an unknown entity at a higher range than a performing
12:24:09 16 employee?

12:24:11 17 A. Because employees talk all the time, and they
12:24:13 18 share that level of information. And so it necessarily
12:24:17 19 won't be one, it's just how comfortable is the manager
12:24:21 20 in defending the decision that they made, right?

12:24:26 21 So it's not a bad or a good thing, but it's
12:24:28 22 just a matter of they need to be prepared to articulate
12:24:31 23 why they're making the decisions that they will.

12:24:39 24 Q. Okay. If you -- well, I want to turn back to
12:25:05 25 the Morris declaration.

12:25:10 1 A. Okay.

12:25:17 2 Q. And I'm looking at the last sentence in
12:25:21 3 paragraph 7 on page 3.

12:25:26 4 A. Okay.

12:25:28 5 Q. And it states "[REDACTED]

12:25:32 6 [REDACTED]

12:25:35 7 [REDACTED]

12:25:37 8 [REDACTED]."

12:25:43 9 A. Uh-huh.

12:25:44 10 Q. I'm curious about the word determinations here.
12:25:48 11 Who ultimately makes a compensation determination as
12:25:51 12 opposed to a compensation recommendation?

12:25:54 13 A. So to me I guess, you know, I use that
12:25:58 14 terminology interchangeably. So a manager ultimately
12:26:01 15 owns the recommendation, right? You know, my next level
12:26:06 16 manager, you know, always has the ability to kind of
12:26:10 17 review and, you know, discuss with me if they feel that
12:26:13 18 something should be different. But from an
12:26:16 19 accountability and final decision, it's generally the
12:26:19 20 manager.

12:26:29 21 Q. And so is it true that ultimately, then, an
12:26:36 22 employee's manager has final say over what that
12:26:38 23 employee's salary will be?

12:26:39 24 A. Yeah. Yeah.

12:26:55 25 MS. LEEBOVE: So I can go into more documents

01:31:23 1 A. Not really, because I can't read it very well.

01:31:32 2 Yeah, no.

01:31:37 3 Q. What, if anything, do you understand Delia was
01:31:40 4 referring to when she says that the midpoint compression
01:31:52 5 can -- well, she says, "The midpoint compression is a
01:31:57 6 reality."

01:31:59 7 And then skipping down, "It is not necessarily
01:32:01 8 a bad thing (in the future a role like this can bring
01:32:06 9 more stability to our internal equity), but the
01:32:08 10 implementation now is completely affecting our internal
01:32:11 11 equity."

01:32:12 12 Do you understand what she means by that?

01:32:13 13 A. I don't know exactly what she means by that.

01:32:20 14 Q. What do you understand this to mean?

01:32:25 15 A. So what -- I understand compression, and I know
01:32:29 16 Romania is a market where volatility with the labor
01:32:33 17 market is really high, and the rates move quite a bit.
01:32:37 18 So they are challenged, oftentimes with compression
01:32:40 19 issues as an organization, because there is such a high
01:32:46 20 demand in the market, and the internal pay rates aren't
01:32:50 21 aligning to the market.

01:32:53 22 So I'm guessing it has something to do with
01:32:55 23 that. But I don't really know what she means by
01:32:57 24 simulation of the -- I don't know what she's doing here.

01:33:00 25 Q. Okay. And so what is it -- is it fair to say

01:33:04 1 that Delia, based on her Friday, January 8th message at
01:33:10 2 8:26 p.m., and her earlier message at 12:40 p.m. on that
01:33:17 3 same date, it's -- does it seem fair to say that she
01:33:26 4 believes that the compression issue is -- what -- well,
01:33:32 5 what do you understand her to mean by internal equity?
01:33:34 6 That it's affecting -- compression is affecting Adobe's
01:33:39 7 internal equity or badly affecting internal equity?

01:33:45 8 A. I don't -- I'm not sure what she's referencing
01:33:47 9 here.

01:33:52 10 Q. Have you used the term "internal equity" in
01:33:54 11 your work in compensation?

01:33:56 12 A. Yep.

01:33:57 13 Q. What does internal equity mean?

01:33:58 14 A. So we use internal equity primarily in the
01:34:01 15 capacity of looking at, again, typically new hires. So
01:34:09 16 what we try to do is similar to when I talked about this
01:34:12 17 notion around compression, it's kind of the same
01:34:17 18 concept. When you are bringing somebody in at a higher
01:34:20 19 rate than everybody else in your organization, you want
01:34:22 20 to be cognizant of why you are doing that.

01:34:25 21 There is a number of reasons. Sometimes it's
01:34:25 22 compression, sometimes it's because you've got a star
01:34:27 23 player, you may have a team of individuals that aren't
01:34:30 24 high impact employees. There is a variety of reasons.
01:34:34 25 But as managers kind of consider their decisions, we do

01:34:37 1 ask them to kind of think about the pay of their team
01:34:39 2 members, right?

01:34:41 3 Q. And why, though?

01:34:44 4 A. Because it can, again, from a management
01:34:48 5 perspective, just create some opportunities for
01:34:51 6 discussions with managers because employees talk about
01:34:53 7 their compensation. So if a manager can clearly
01:34:58 8 articulate it, then great, right?

01:35:00 9 But we just want them to be aware that if
01:35:02 10 you've got a high impact employee in your organization,
01:35:05 11 and you are now bringing somebody in from the outside
01:35:07 12 that's not proven themselves, you might have to explain
01:35:10 13 why. And so, you know, you have the right to do that,
01:35:13 14 just make sure that you understand why you are making
01:35:15 15 the decisions that you are making.

01:35:18 16 Q. Does -- is there a fear within Adobe that
01:35:23 17 internal inequity would affect employee morale?

01:35:27 18 MR. KIERNAN: Objection to form.

01:35:30 19 THE WITNESS: Yeah. No. How can I explain
01:35:35 20 internal equity? Internal equity is, again, just
01:35:39 21 another factor that we ask kind of managers to think
01:35:43 22 about as they're making decisions relative to people's
01:35:47 23 salaries. It's, you know, often looked at as kind of a
01:35:51 24 factor that you think about, but it doesn't really
01:35:57 25 dictate anything, it just kind of informs, right?

01:36:01 1 So myself, as an example, if I'm bringing in
01:36:03 2 somebody from the outside and I'm thinking about what's
01:36:06 3 this offer that I want to make to this individual, I
01:36:08 4 will generally look at my team and see where they're
01:36:12 5 positioned, you know, and kind of make a judgment call
01:36:15 6 there. Because I do know that these individuals are
01:36:16 7 going to be working side by side, and, you know, it can
01:36:22 8 potentially have implications for me as a manager if
01:36:26 9 they're performing exactly the same way and they feel
01:36:29 10 like there is not a perceived fairness in terms of their
01:36:32 11 pay, right?

01:36:32 12 MS. LEEBOVE: Q. I'm sorry, did I
01:36:33 13 interrupt you?

01:36:34 14 A. No.

01:36:34 15 Q. So what would the implications be for you as a
01:36:39 16 manager?

01:36:40 17 A. A conversation to have to explain to the
01:36:42 18 individual why I made the decision that I did, right?
01:36:45 19 And there may be reasons for why I do that, and I'm
01:36:48 20 perfectly comfortable with it.

01:36:50 21 And in other instances, I may say you know
01:36:54 22 what? It's not worth it to me. I don't want to create
01:36:56 23 an issue where five people are going to be pissed off
01:36:59 24 because this person, you know, makes more than them and
01:37:01 25 haven't been here to prove themselves. So I have to

01:37:05 1 rationalize that as a manager.

01:37:07 2 Q. So why would you not want to have your
01:37:09 3 employees pissed off?

01:37:10 4 A. Why would I not want to have them pissed off?
01:37:15 5 You know, I generally like a happy environment. People
01:37:18 6 are more productive when they're not angry.

01:37:21 7 Q. And then is there -- could it -- is there a
01:37:23 8 concern that the lack of internal equity might affect
01:37:32 9 employee attrition?

01:37:32 10 A. No.

01:37:40 11 Q. Have you ever had an experience as a manager
01:37:42 12 where you did pay a team member disproportionately
01:37:49 13 compared to other team members and those who were not
01:37:52 14 paid highly complained to you?

01:37:54 15 A. Yeah.

01:37:55 16 Q. And what was the -- what happened?

01:37:58 17 A. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]. So those are easy.

01:38:23 25 Q. And then is there a way for employees who are

01:38:25 1 being paid less than a peer to increase their
01:38:32 2 compensation to match their peer's compensation?

01:38:36 3 A. Themselves, no. I mean, an employee can always
01:38:39 4 a conversation with their manager around the
01:38:43 5 dissatisfaction they have around their pay. Manager may
01:38:45 6 or may not do anything about that. But they can't say I
01:38:48 7 want this and get it.

01:38:50 8 Q. Is there anything -- what capability do
01:38:53 9 managers have to address an employee's dissatisfaction
01:38:55 10 with his or her pay?

01:38:56 11 A. You have lots of capabilities. So, you know,
01:38:58 12 as a manager, I think you need to think about, you know,
01:39:01 13 whether there is justification and warrant whether you
01:39:04 14 want to do it. There is always the mitigating factor,
01:39:06 15 though, which is your budget, right? And so that's
01:39:09 16 probably the thing that acts as our constraint.

01:39:12 17 So, you know, I've been -- it's not like we
01:39:14 18 give a corporate budget to managers to manage, you know,
01:39:17 19 employees who want higher pay increases, right? So if a
01:39:21 20 manager feels pretty strongly they that they want to do
01:39:24 21 this for whatever reasons they feel are justified, and
01:39:26 22 oftentimes they have to find that money.

01:39:28 23 So like myself as a manager, I might dip into
01:39:31 24 my, you know, T&E and say you know what? I'm not going
01:39:35 25 to take this travel, I'm going to use this money instead

01:39:38 1 to reward everyone. So I've got to make trade-offs as a
01:39:42 2 manager because there is no corporate funding to handle
01:39:44 3 those types of situations outside of annual review.

01:39:47 4 Q. You mentioned T&E; what's that?

01:39:49 5 A. Travel and expense. My travel budget.

01:39:52 6 Q. And managers are free to take travel and
01:39:54 7 expense money that they're not going to use and spend it
01:39:56 8 on employee compensation instead?

01:39:58 9 A. It's not necessarily money that they're not
01:40:00 10 going to use. You usually make the decision I'm not
01:40:02 11 going to make this trip because I'm going to use it
01:40:05 12 instead to fund this. But yeah, we have a line item in
01:40:07 13 there for travel.

01:40:08 14 Q. Okay. Have you ever, as a manager, taken money
01:40:28 15 out of your travel and expense budget or some -- or --
01:40:31 16 well, have you ever taken money out of your travel
01:40:34 17 expense budget to use for employee salaries?

01:40:36 18 A. Not for salaries, but I've done it to reward
01:40:38 19 people with a bonus.

01:40:41 20 Q. Are you aware of any managers who have asked
01:40:44 21 for increases to members of their teams based on their
01:40:49 22 dissatisfaction with their salary compared to another
01:40:52 23 team member's salary?

01:40:54 24 A. No.

01:41:52 25 MS. LEEBOVE: May I have this marked as the

01:41:53 1 next exhibit, please.

01:41:54 2 (Whereupon, Exhibit 2491 was marked for
01:41:54 3 identification.)

01:42:14 4 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
01:42:14 5 you've been handed Exhibit 2491 that starts on a
01:42:17 6 page marked ADOBE_067124 and runs through 067128 --
01:42:21 7 or actually 067129.

01:42:29 8 If you would take the time that you need to
01:42:31 9 have a look at that.

01:46:01 10 A. Okay.

01:46:02 11 Q. Are you ready?

01:46:03 12 A. Yes.

01:46:03 13 Q. You've had a chance to review Exhibit 2491?

01:46:06 14 A. Yes.

01:46:12 15 Q. And do you recognize this document?

01:46:13 16 A. I do.

01:46:14 17 Q. What is it?

01:46:15 18 A. It's an exchange between Teresa, myself and
01:46:19 19 Debbie where we're trying to determine what to include
01:46:22 20 in our newsletter.

01:46:24 21 Q. How frequently -- or how frequently does or did
01:46:28 22 you issue a newsletter?

01:46:29 23 A. We issue it quarterly.

01:46:33 24 Q. Whose job is it to issue the quarterly
01:46:35 25 newsletter?

01:58:56 1 MR. KIERNAN: Maybe ask the question then she
01:58:57 2 can see if she needs to read more.

01:59:00 3 THE WITNESS: That's a lot to read.

01:59:01 4 MR. KIERNAN: There is a lot going on here.

01:59:03 5 MS. LEEBOVE: There is a lot going on here.

01:59:05 6 Q. I guess my first question is, do you recognize
01:59:07 7 these -- the emails that are reflected on this document?

01:59:09 8 A. Yeah.

01:59:09 9 Q. Okay. And do you have any reason to believe
01:59:13 10 that whether or not you were included as an addressee on
01:59:18 11 a particular message, that the message was sent -- do
01:59:20 12 you have any reason to believe the messages weren't sent
01:59:22 13 or received at the dates and times reflected --

01:59:24 14 A. No.

01:59:24 15 Q. -- by the people reflected on the messages
01:59:27 16 themselves?

01:59:27 17 A. No, I don't.

01:59:29 18 Q. So I'm looking at the top of page 108280, about
01:59:41 19 "Determine matrix and process for merit increases."

01:59:43 20 A. Uh-huh.

01:59:45 21 Q. And I'm wondering whether the proposal here, it
01:59:57 22 says, "[REDACTED]
01:59:59 23 [REDACTED]."

02:00:02 24 Partly I'm wondering what this bullet point
02:00:05 25 means, and then I'm wondering whether it was

02:00:07 1 implemented.

02:00:08 2 A. Yeah. So whether it was implemented or not, I
02:00:09 3 can't tell you without going back and checking stuff.

02:00:13 4 But let me see if I can tell you what I think it means.

02:00:24 5

██████████ █

██████████ █

██████████ █

██████████ █

██████████

(Inaudible reading from

02:00:54 11 document).

02:01:12 12 Yeah. So my sense here is we were trying to
02:01:15 13 look at kind of the different populations of people that
02:01:18 14 we had based on their contribution levels and see kind
02:01:21 15 of where they were positioned within their ranges. So
02:01:27 16 it looks like we were doing that -- that analysis.

02:01:31 17 Q. Were you discussing, in these email messages,
02:01:32 18 the review process that would happen at the end of 2008
02:01:38 19 that would affect salaries for 2009?

02:01:41 20 A. Correct. Yeah. So engaging this, we were kind
02:01:44 21 of trying to determine what our parameters or guidelines
02:01:47 22 were going to be for salaries that would go into effect
02:01:51 23 in 2009. Yes.

02:01:52 24 Q. Okay.

02:01:55 25 A. So it looks like we were trying to do some

02:01:58 1 modeling around HIs and currently where they were
02:02:01 2 positioned against their range.

02:02:05 3 Q. What does compa-ratio mean?

02:02:08 4 A. Compa-ratio is where your base salary is
02:02:12 5 relative to the midpoint of the range. So somebody who
02:02:15 6 is around the midpoint of the range would have a
02:02:17 7 compa-ratio of a hundred percent. If you are above the
02:02:21 8 midpoint of the range you would have a hundred plus.
02:02:22 9 And if you are below the midpoint of the range, you are
02:02:25 10 going to be less than a hundred percent. So it just
02:02:28 11 tells people where you are relative to the midpoint of a
02:02:30 12 range.

02:02:31 13 Q. Okay.

02:02:32 14 And are the -- wherever on this document I see
02:02:38 15 the initials RAK --

02:02:39 16 A. Yeah.

02:02:39 17 Q. -- is that your --

02:02:41 18 A. My response.

02:02:42 19 Q. Does that reflect your inserts to the text
02:02:44 20 here?

02:02:45 21 A. Yes.

02:02:45 22 Q. What did you mean when you said, "[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]."

02:02:57 1 A. So generally speaking, when you are kind of
02:03:00 2 looking at differentiation and you are looking at kind
02:03:04 3 of where people should be positioned within the range,
02:03:07 4 one of the things that you look at is somebody that's a
02:03:10 5 high contributor, [REDACTED]
02:03:13 6 [REDACTED], you know, from a differentiation
02:03:17 7 perspective. So that's what that statement means. On
02:03:21 8 aggregate, right?

02:03:22 9 Again, individuals fluctuate up and down for a
02:03:24 10 number of reasons, but when we look at it from an
02:03:26 11 aggregate level, we try to see that generally speaking,
02:03:29 12 [REDACTED].

02:03:37 13 Q. Skipping down to your comments in the center of
02:03:42 14 page 108280 where we see your initials colon, "In the
02:03:48 15 past the philosophy."

02:03:49 16 A. Yeah.

02:03:53 17 Q. Could you review that paragraph there and tell
02:03:56 18 me what you meant?

02:03:58 19 A. Yeah. Yeah. I think what this statement is
02:04:15 20 around is the fact that we never had any formal
02:04:19 21 guidelines around a promotion. So what we did is we had
02:04:23 22 conversations with managers who were interested in
02:04:26 23 promoting somebody. We would advise them of different
02:04:29 24 things that they should consider when looking at that,
02:04:32 25 position in the range, their contribution level, but we

02:04:37 1 never really dictated to them a particular guideline
02:04:39 2 like we did for annual review that says you should give
02:04:43 3 X percent. So what we did is we created some guidelines
02:04:46 4 around, you know, what they should consider when doing
02:04:49 5 this.

02:04:50 6 Q. And when doing what?

02:04:53 7 A. Making a promotion.

02:04:55 8 Q. Does this paragraph here specifically refer to
02:04:57 9 making promotions?

02:04:58 10 A. Yeah.

02:04:59 11 Q. Okay.

02:05:00 12 MR. KIERNAN: See the bullet right above it.

02:05:03 13 THE WITNESS: "Provide you a few options
02:05:04 14 for '09 promo guidelines."

02:05:10 15 MS. LEEBOVE: Q. So what did you mean here
02:05:12 16 when you said, [REDACTED]

02:05:14 17 [REDACTED]

02:05:17 18 [REDACTED]?

02:05:18 19 A. So oftentimes managers will use the annual
02:05:23 20 review process as a -- an opportunity to promote people.
02:05:27 21 So they just kind of condensed it into one process. So
02:05:31 22 what we would typically do is a promotion should be
02:05:35 23 additive to their merit. Because merit you are looking
02:05:38 24 at the performance based on the job they did, a
02:05:41 25 promotion is now rewarding them for something they are

02:13:35 1 have to be treated separately and distinctly kind of
02:13:38 2 operating under their own kind of rules and as
02:13:43 3 independent companies.

02:13:43 4 So the timing of the Omniture acquisition came
02:13:45 5 at a point in time when we finally integrated as a
02:13:48 6 company right in the midst of annual review. [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] they had only been planning for a 3 and a
02:14:11 15 half percent. And so it changed, kind of. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

02:14:23 20 Q. And Donna Morris wrote here, it says, net --
02:14:34 21 I'm not sure who that refers to.

02:14:36 22 A. I don't know either.

02:14:37 23 Q. "[REDACTED]
[REDACTED]
[REDACTED]

02:14:48 1 [REDACTED]."

02:14:51 2 What does that mean?

02:14:53 3 A. I'm not sure what she's referring to. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

02:15:40 16 Q. So was there -- is she -- does Donna Morris

02:15:55 17 appear to be suggesting that Adobe needs a matrix that

02:16:04 18 will increase base salaries?

02:16:12 19 MR. KIERNAN: Object to form.

02:16:13 20 THE WITNESS: Yeah. It's really hard for me to

02:16:16 21 understand what she meant. Pretty cryptic.

02:16:29 22 MS. LEEBOVE: Q. Did Adobe ever adjust

02:16:35 23 base salaries versus base salary ranges?

02:16:42 24 A. So we --

02:16:45 25 MR. KIERNAN: Hang on. Object to form.

02:16:47 1 Go ahead.

02:16:48 2 THE WITNESS: So we, as part of our annual
02:16:51 3 review, adjust salary ranges. That's what we do. They
02:16:54 4 either go up or they go down. Salary ranges, Adobe does
02:16:59 5 not adjust. The managers do that based on any types of
02:17:04 6 budgets that we give to them.

02:17:05 7 MS. LEEBOVE: Q. I think you just meant
02:17:07 8 salaries.

02:17:08 9 A. I mean salaries. Correct.

02:17:18 10 Q. But does it appear that Donna Morris is
02:17:20 11 suggesting that Adobe needs to provide market
02:17:25 12 competitive base salary adjustments?

02:17:28 13 A. I'm not sure what she's getting at. That's,
02:17:30 14 you know, not how I would interpret this.

02:17:41 15 Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

02:18:06 21 Q. Is AIP in the -- there is a -- there are two
02:18:09 22 sets of bullet points. There is a first set that has
02:18:12 23 three bullet points and a second set of bullet points
02:18:15 24 are just two.

02:18:16 25 A. Yeah.

02:18:16 1 Q. Is AIP referring to the annual incentive plan?

02:18:19 2 A. It is.

02:18:19 3 Q. What does that sentence mean, that AIP is used

02:18:22 4 in?

02:18:22 5 A. "[REDACTED]

02:18:25 6 [REDACTED]." So....

02:18:34 7 MR. KIERNAN: Let me object to form.

02:18:38 8 THE WITNESS: So I'm not exactly sure what

02:18:39 9 she's trying to say here, to be honest with you. "[REDACTED]e

02:18:47 10 [REDACTED]."

02:18:57 11 Yeah. I guess I need more context. I don't

02:18:59 12 know what she's trying to do or say here.

02:19:04 13 MS. LEEBOVE: Q. Well, if you don't, I

02:19:05 14 don't.

02:19:07 15 A. Sorry.

02:19:08 16 Q. No, no. You only know what you know.

02:19:12 17 A. Okay.

02:19:14 18 Q. Nobody can make you know more.

02:19:20 19 Our next exhibit, I believe, it's Exhibit 2493.

02:19:34 20 (Whereupon, Exhibit 2493 was marked for

02:19:34 21 identification.)

02:20:28 22 MR. KIERNAN: Actually, sorry, any time you see

02:20:30 23 highlights, they're her highlights.

02:20:34 24 MS. LEEBOVE: I'm sorry. How have I done this

02:20:36 25 again? Yet again. Thank you.

02:26:38 1 Q. Did I read that right?

02:26:39 2 A. Yes.

02:26:40 3 Q. What's the Ops Staff?

02:26:42 4 A. At that point in time it would have been any
02:26:45 5 individuals that were direct reports of Shantanu
02:26:48 6 Narayen.

02:26:51 7 Q. Does Ops staff -- has Ops Staff historically
02:26:54 8 referred to the CEO's --

02:26:57 9 A. Direct reports? Yeah.

02:27:08 10 Q. And the reference to human resources, are the
02:27:09 11 human resources folks referred to here different than
02:27:14 12 compensation --

02:27:15 13 A. It could be --

02:27:16 14 Q. -- team members?

02:27:18 15 A. Yeah. It could be. There is a number of
02:27:19 16 people that review it. So compensation would definitely
02:27:22 17 be included in the human resources population, but it
02:27:24 18 could also include business partners.

02:27:27 19 Q. And does it appear to you that for this year,
02:27:30 20 for a Total Rewards Approach 2009, that human resources
02:27:37 21 reviewed the actual salaries --

02:27:41 22 A. Uh-huh.

02:27:41 23 Q. -- of high performing employees versus the
02:27:44 24 salary ranges of high performing employees?

02:27:46 25 MR. KIERNAN: Object to form.

02:27:47 1 THE WITNESS: So in 2009, or any year, we
02:27:49 2 always look at the range and the salaries. So that's no
02:27:52 3 different.

02:27:55 4 MS. LEEBOVE: Q. Does Adobe always review
02:27:56 5 the salaries of high performing employees to ensure
02:27:59 6 base pay is positioned within the market competitive
02:28:01 7 range?

02:28:02 8 A. We look at all salaries and where they're
02:28:06 9 positioned. Not just high impact.

02:28:15 10 Q. And is the purpose of looking at all salaries
02:28:20 11 to ensure that base pay is positioned within the market
02:28:23 12 competitive range?

02:28:23 13 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

02:29:08 1

02:29:16 3

A. I --

02:29:18 4

MR. KIERNAN: Object to form.

02:29:21 5

THE WITNESS: Yeah. We go through an exercise

02:29:25 6

of having to label employees, and I think we continued

02:29:34 7

to do that. So every manager had to go in and kind of

02:29:37 8

assess their employees and give them a ranking.

02:29:40 9

MS. LEEBOVE: Q. But were managers not

02:29:42 10

required to adhere to the ranking curve in 2009?

02:29:47 11

MR. KIERNAN: Object to form.

02:29:48 12

THE WITNESS: Yeah. It's hard for me to kind

02:29:50 13

of understand what Donna was getting at here.

02:29:53 14

Again, the distribution has always been a

02:29:56 15

guideline, right? So whether we actually stay or not

02:30:02 16

within that distribution has always been up to kind of

02:30:04 17

the discretion of the manager. So --

02:30:09 18

MS. LEEBOVE: Q. And subject to budget

02:30:10 19

restraints?

02:30:11 20

A. Yeah. Yeah.

02:30:33 21

Q. You can set that aside. I'll hand you

02:30:36 22

something new, and unhighlighted hopefully.

02:30:47 23

Mark that the next in order, please.

02:30:58 24

(Whereupon, Exhibit 2494 was marked for

02:30:58 25

identification.)

02:37:19 1 A. For promotions and specific to markets. So
02:37:23 2 mature markets would have been something like the United
02:37:27 3 States, the UK, then you have your growth markets and
02:37:31 4 you have your high growth market. So it would have been
02:37:33 5 based on geography.

02:37:36 6 Q. There is a sentence here that reads -- it's
02:37:40 7 under salary increases and promotional budgets, and I
02:37:43 8 think it's the penultimate sentence. It says, "We have
02:37:46 9 also provided promotional guidelines to assist in making
02:37:49 10 salary recommendations and ensure equity across the
02:37:53 11 company."

02:37:57 12 A. Uh-huh.

02:37:59 13 Q. Was ensuring equity across the company one of
02:38:03 14 Adobe's compensation goals?

02:38:04 15 MR. KIERNAN: Objection. Form.

02:38:05 16 THE WITNESS: Yeah -- no, it's not a
02:38:06 17 compensation goal. It's a factor that you want to
02:38:08 18 consider.

02:38:12 19 MS. LEEBOVE: Q. I know we've discussed
02:38:13 20 before that it's -- or you've mentioned before that
02:38:16 21 equity is a factor that Adobe would consider and
02:38:20 22 that equity was a guideline or an aspiration. But
02:38:26 23 here this says ensure equity.

02:38:36 24 MR. KIERNAN: Hang on. I don't think there is
02:38:37 25 a question.

02:38:38 1 MS. LEEBOVE: There isn't a question yet.

02:38:41 2 Q. So I'm wondering how -- does -- well, does it
02:38:48 3 appear to you here that equity was an aspiration or it
02:38:55 4 was something that would be ensured?

02:39:00 5 MR. KIERNAN: Objection to form.

02:39:02 6 THE WITNESS: So I -- I can't, I guess,
02:39:08 7 articulate what it is that -- the point that was trying
02:39:09 8 to be made here. Let me give you my interpretation of
02:39:12 9 this.

02:39:12 10 My interpretation of this is that what we were
02:39:15 11 trying to do was create a set of guidelines around
02:39:19 12 promotions that could be consistently applied around the
02:39:21 13 world. So it doesn't mean, you know, consistently do
02:39:25 14 this everywhere, [REDACTED]

[REDACTED]
[REDACTED] . Whereas
02:39:33 17 before, there was no guideline and people could do
02:39:35 18 whatever they wanted. That's what I think this message
02:39:37 19 is about.

02:39:40 20 Q. Okay. On page 068164, there is a reference to
02:39:47 21 a salary range website.

02:39:49 22 A. Yeah.

02:39:49 23 Q. What is the salary range website?

02:39:52 24 A. So a salary range website is a tool that we
02:39:54 25 have available to managers whereby they can look at a

02:39:59 1 salary range for an associated job.

02:40:04 2 Q. Is the salary range website only accessible by
02:40:07 3 managers --

02:40:07 4 A. Yes.

02:40:08 5 Q. -- and above?

02:40:09 6 A. Uh-huh.

02:40:12 7 Q. Do ordinary individual contributors and other
02:40:16 8 nonmanagerial employees ever have access to the salary
02:40:20 9 range website?

02:40:21 10 A. Not individual contributors. If you are in HR,
02:40:25 11 so a recruiter, you would have access to that
02:40:29 12 information. Compensation does.

02:40:31 13 Q. Are recruiters who have access to the salary
02:40:35 14 range website free to share that information with other
02:40:39 15 nonmanagerial colleagues?

02:40:41 16 A. So we don't have a particular policy that says
02:40:44 17 you shouldn't be sharing this information. Whether they
02:40:48 18 do or don't, I don't know.

02:40:50 19 Q. Has the salary range website existed -- or did
02:40:54 20 a salary range website exist throughout the class
02:40:56 21 period?

02:40:57 22 A. I think so. It's been around for a long time.
02:41:01 23 I'd have to go back and look at when it was actually
02:41:04 24 developed. But we've had them for a long time, so....

02:41:10 25 Q. Is there a -- do you know whether you made an

02:41:15 1 attempt, personally, to collect documents or printouts
02:41:20 2 from the salary range website as part of your gathering
02:41:24 3 of documents for this case?

02:41:25 4 A. I personally didn't, no.

02:41:31 5 Q. Is the salary range website archived anywhere
02:41:33 6 that you know about?

02:41:35 7 A. The salary range website is not archived
02:41:37 8 anywhere that I know of. We feed the salary range
02:41:42 9 website, so we create those ranges. So we have those.

02:41:45 10 Q. And are the ranges -- are they -- can you look
02:41:48 11 back at historical data on the salary range website or
02:41:52 12 does it only post the current salary ranges?

02:41:55 13 A. Only posts the current. Yeah. Doesn't stop
02:41:57 14 managers from printing and saving it themselves. I
02:42:00 15 mean, they have the ability to do that.

02:42:06 16 Q. Under Equity Review, on page 068164.

02:42:10 17 A. Okay.

02:42:12 18 Q. The third bullet point states, "[REDACTED]
02:42:14 19 [REDACTED], " I'm skipping
02:42:17 20 the parenthetical here, "[REDACTED]
02:42:19 21 [REDACTED]."

02:42:25 22 A. Yeah.

02:42:26 23 Q. What does that mean?

02:42:26 24 A. So what that means is similar to a salary
02:42:31 25 budget, when it comes to equity, managers receive a

02:42:33 1

certain number of shares. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

02:43:14 15

MR. KIERNAN: Object to form.

02:43:15 16

THE WITNESS: I don't know. I don't know how

02:43:17 17

we accomplished it.

02:43:23 18

MS. LEEBOVE: Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

02:43:41 22

MR. KIERNAN: Object to form.

02:43:44 23

THE WITNESS: I don't know. Yeah. I don't

02:43:46 24

know if it was a directive or not.

02:43:55 25

MS. LEEBOVE: Q. Have there -- in your

02:43:57 1 experience at Adobe, have there ever been
02:44:02 2 directives -- well, has the company ever issued
02:44:05 3 directives about salary -- well, has the company
02:44:11 4 ever issued salary directives as opposed to salary
02:44:15 5 guidelines?

02:44:17 6 A. Yeah, um, I guess I just really struggle with
02:44:21 7 the directive for the guideline. So, you know, we
02:44:24 8 position things as these are your guidelines. Here is
02:44:28 9 your budget. Typically people follow the guidelines.
02:44:31 10 So, you know, if they didn't, you know, I don't know if
02:44:37 11 we've made exceptions or not. I'm not privy to that,
02:44:40 12 so....

02:44:42 13 Q. Okay. If we could, for a moment -- or if you
02:44:49 14 could, please take a look back at Exhibit 2487.

02:44:53 15 A. Okay.

02:44:54 16 Q. It's the one that looks like this. Well, and
02:44:57 17 it's the one that says Exhibit 2487 on it, if that
02:45:00 18 helps.

02:45:03 19 A. Eighty-seven. Yeah.

02:45:05 20 Q. If you turn to page 100614.

02:45:10 21 A. Okay.

02:45:20 22 Q. Can you tell me what this page reflects?

02:45:23 23 A. [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

Page: 164

Page: 165

02:48:19 1 Q. Okay. All right. Thank you.

02:48:23 2 A. Uh-huh. You are probably learning more about
02:48:31 3 comp than you ever wanted to know.

02:48:33 4 Q. I always wanted to know.

02:48:35 5 MR. KIERNAN: Can we take a five-minute break?

02:48:37 6 MS. LEEBOVE: Sure.

02:48:38 7 THE VIDEOGRAPHER: This is the end of video
02:48:39 8 No. 4.

02:48:39 9 The time is 2:48 p.m. We're going off the
02:48:41 10 record.

02:56:33 11 (Recess taken.)

03:01:48 12 THE VIDEOGRAPHER: This is the beginning of
03:01:49 13 video No. 5.

03:01:51 14 The time is 3:01 p.m. We're back on the
03:01:54 15 record.

03:01:57 16 MS. LEEBOVE: Okay. May I please have this
03:01:59 17 exhibit next. I believe we're at Exhibit 2495.

03:02:18 18 (Whereupon, Exhibit 2495 was marked for
03:02:18 19 identification.)

03:02:30 20 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
03:02:30 21 you've been handed Exhibit 2495, it is Bates stamped
03:02:34 22 ADOBE_086264 through 086272.

03:02:45 23 In our desire to save some trees and print
03:02:49 24 double-sided, sometimes these are a little bit -- you
03:02:51 25 have to flip them around a couple times as you are

03:07:22 1 human resources is, you had a lot of specialized jobs.
03:07:28 2 And as the teams began to evolve and we started to take
03:07:33 3 on different work, we were getting less specialized and
03:07:36 4 people were taking more of a generalist role. And so we
03:07:40 5 went through an effort of rather than having -- how many
03:07:40 6 jobs is it here -- [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

03:08:58 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:09:46 17

Q. Okay. On page 5 of the document, the very last

03:10:09 18

bullet point says, [REDACTED]

03:10:13 19

[REDACTED]."

03:10:18 20

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:10:29 23

MR. KIERNAN: Object to form.

03:10:30 24

THE WITNESS: [REDACTED]

[REDACTED]

[REDACTED]

03:10:35 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:11:52 23

Q. So we had discussed before, and I believe it's

03:11:56 24

in the Morris declaration itself, that each job code has

03:12:10 25

its own salary range.

03:12:12 1 A. Uh-huh.

03:12:14 2 Q. Is that not the case in HR now?

03:12:18 3 A. It still does. So the job code that we're now
03:12:20 4 using for these jobs has a specific range tied to it.

03:12:24 5 Q. But does each job code refer to more than one
03:12:26 6 job?

03:12:28 7 A. There is different types of jobs that make up
03:12:31 8 that job code. Yeah.

03:12:36 9 Q. Well, if we -- going -- turning back, then,
03:12:39 10 to -- that's it, you've got it, to Exhibit 2486, and
03:12:45 11 specifically to paragraph 4, we had talked before about
03:12:48 12 the sentence that says, "[REDACTED]

03:12:50 13 [REDACTED]

03:12:55 14 [REDACTED]

03:12:58 15 [REDACTED]."

03:12:59 16 A. Uh-huh.

03:12:59 17 Q. And we -- you and I had also talked about how
03:13:03 18 each job code also has a salary range associated with
03:13:06 19 it, right?

03:13:07 20 A. Yeah.

03:13:08 21 Q. But my question is, are job codes
03:13:12 22 individualized or -- well, how many jobs can fall within
03:13:18 23 a single job code?

03:13:20 24 MR. KIERNAN: Let me object to form.

03:13:23 25 THE WITNESS: Yeah. So you have -- the job

03:33:29 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

[REDACTED] 1

[REDACTED]

03:33:56 8

A. That, I don't know.

03:33:58 9

Q. Okay. Turning back to the Morris declaration.

03:34:43 10

A. Okay.

03:34:54 11

Q. If you could just read through paragraphs 9

03:34:56 12

through 11 and just let me know if there is anything

03:35:00 13

about those paragraphs that you would change if you --

03:35:05 14

if this was your declaration to make it more accurate or

03:35:07 15

truthful.

03:35:15 16

Let me rephrase that as a question. Would you

03:35:17 17

please look through paragraphs 9 through 11 of the

03:35:20 18

Morris declaration and let me know if there was anything

03:35:23 19

you would change if it were your declaration to make it

03:35:26 20

more accurate or truthful?

03:36:36 21

A. So this resonates.

03:36:38 22

Q. Is it all --

03:36:41 23

A. I'd have to go back and validate the dates, and

03:36:43 24

I don't know that the wording would be exactly what I

03:36:45 25

would use, but in concept, yes. There is nothing here

03:36:48 1 that I believe to be untruthful.

03:36:57 2 Q. Okay. Moving on to paragraph No. 12.

03:36:59 3 A. Okay.

03:37:02 4 Q. And 13. Actually, if you could read 12 and 13
03:37:05 5 and let me know when you've had a chance to do that.

03:37:11 6 A. Okay.

03:37:52 7 Okay.

03:37:59 8 Q. Was there any -- well, I guess my first
03:38:02 9 question is the paragraph 12 states that, "Adobe
03:38:07 10 assigned each job code a broad salary range."

03:38:12 11 Am I reading that right?

03:38:13 12 A. Uh-huh.

03:38:15 13 Q. Did you testify earlier that job codes
03:38:17 14 encompassed multiple job titles?

03:38:23 15 A. They can, yes.

03:38:24 16 Q. So if there is a broad salary range associated
03:38:27 17 with a job code, is it possible that this reflects the
03:38:34 18 fact that there are multiple job titles included in the
03:38:38 19 job code?

03:38:38 20 A. No. The breadth of the salary range she refers
03:38:42 21 to is we apply a spread. So what we typically do is we
03:38:45 22 target the market, 65th percentile of the market, and we
03:38:48 23 create our own spread, say, let's apply a 50 percent
03:38:51 24 spread, and that creates your minimum and your maximum,
03:38:53 25 right?

03:38:54 1 Q. What do you mean a 50 percent spread?

03:38:58 2 A. So there is basically a formula that we apply,
03:39:01 3 and that formula helps us to determine what the minimum
03:39:04 4 and the maximum is going to be based on this midpoint of
03:39:09 5 the range that we target.

03:39:11 6 Q. The minimum and maximum of what?

03:39:12 7 A. The salary range.

03:39:14 8 Q. For a particular job title or a particular job
03:39:16 9 code?

03:39:16 10 A. Job code.

03:39:29 11 Q. So I'm just trying to --

03:39:31 12 A. Yeah. That's okay.

03:39:32 13 Q. Trying to understand this. So when you say
03:39:34 14 that you develop a spread, do you develop a spread for
03:39:39 15 each job code that's narrower than the salary range
03:39:43 16 itself?

03:39:44 17 A. So the market data doesn't have a salary range,
03:39:47 18 right? The market data will tell you for this job,
03:39:49 19 here's the 25th percentile value, the 50th, 75th, the
03:39:53 20 90th. We happen to target the 65th, so we take that.

03:39:58 21 So let's use, as an example, the computer
03:40:00 22 software engineer, right? That 65th market value might
03:40:03 23 be \$100,000, right? What we then do is we say we need
03:40:08 24 to create a minimum and a maximum for this range. And
03:40:11 25 what you generally do is for the vast majority of the

03:40:15 1 jobs, I think we use -- I have to go back. I haven't
03:40:17 2 looked at kind of what our approach has been, but I
03:40:21 3 think it's a 60 percent spread. So it's just a
03:40:23 4 mathematical formula, and that's applied for all the
03:40:26 5 jobs.

03:40:27 6 So the differentiation or the market data piece
03:40:30 7 comes in really in defining that midpoint value. The
03:40:33 8 minimum and the maximum are going to be the same formula
03:40:36 9 across all jobs in the company. As you start to get
03:40:39 10 into higher level jobs, i.e. senior directors and VPs,
03:40:43 11 that spread that applies, instead of 60 percent, you
03:40:45 12 might see something closer to, like, 77 percent. A
03:40:48 13 little bit of a wider band. But that's what we mean
03:40:51 14 when we talk about the spread.

03:40:54 15 Q. Okay.

03:40:55 16 A. It's very formulaic.

03:40:58 17 Q. And then do compa-ratios play any role in
03:41:03 18 targeting employees' salaries within the salary range?

03:41:08 19 MR. KIERNAN: Object to form.

03:41:10 20 THE WITNESS: Yeah -- no. Again, compa-ratio
03:41:14 21 is more something a manager uses to inform where a
03:41:18 22 person's salary is relative to the range. So if I'm
03:41:20 23 trying to think about where I want to position a person,
03:41:25 24 compa-ratio is not very helpful to me. You know, when
03:41:28 25 it is helpful to me is, you know, as I'm going through

03:41:31 1 the annual focal review process and I've got this
03:41:33 2 budget, and I'm looking at this individual and I'm
03:41:35 3 saying, oh, right now they're sitting at a compa-ratio
03:41:39 4 of, I don't know, let's say 115 percent, that tells me
03:41:43 5 they're very close to the maximum of the range.

03:41:45 6

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

03:42:25 20 MS. LEEBOVE: Q. Okay. In paragraph 13,

03:42:30 21 I'm looking at lines 22 to 23.

03:42:32 22 A. Okay.

03:42:34 23 Q. And it says, "[REDACTED]

[REDACTED]

[REDACTED]

03:49:13 1 A. Yeah.

03:49:15 2 MR. KIERNAN: Different jobs or different job

03:49:17 3 titles. It was just a --

03:49:20 4 MS. LEEBOVE: Of two different --

03:49:24 5 THE WITNESS: Job titles.

03:49:25 6 MS. LEEBOVE: Q. -- job titles within the

03:49:26 7 same job code.

03:49:27 8 A. Yeah. So you could have a -- a marketing --

03:49:38 9 like here's an example. A [REDACTED]

03:50:46 1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Does that help?

03:51:13 12

Q. It does.

03:51:14 13

And they could be -- and in your scenario, that

03:51:18 14

employee communications manager and marketing manager

03:51:20 15

could be compensated differently as well?

03:51:22 16

A. Uh-huh. They could. Based on their

03:51:25 17

contributions. If one is new into the role versus

03:51:30 18

someone whose got more experience. There is a number of

03:51:33 19

factors. That's where that range kind of spread allows

03:51:36 20

you that flexibility, right?

03:51:38 21

Q. Does Adobe conduct any studies about where

03:51:46 22

on -- well, I guess, does Adobe conduct any studies

03:51:49 23

about where employees fall within their salary ranges?

03:51:54 24

A. Yeah. Well, when you say studies, we run

03:51:57 25

reports that show us kind of, again, you know, where

03:52:01 1 employees are falling within the ranges.

03:52:04 2 Q. And do most employees tend to fall -- well, I
03:52:10 3 mean, where do employees tend to -- is there, like, some
03:52:14 4 sort of -- I guess where is the greatest represent --
03:52:23 5 well, I don't even know how to ask this question, which
03:52:26 6 reflects my lack of sleep.

03:52:33 7 How often are employees paid at the very
03:52:36 8 bottom, the very minimum of their salary range?

03:52:42 9 MR. KIERNAN: Object to form.

03:52:43 10 THE WITNESS: I don't know how often. I'd have
03:52:44 11 to run a report to see, you know, how many people are
03:52:49 12 currently positioned at the lower end of the range. So
03:52:56 13 kind of you run these reports at a snapshot in time,
03:52:59 14 right? And people kind of are entering the work
03:53:02 15 environment and leaving the work environment.

03:53:03 16 So, you know, generally, you know, you are not
03:53:07 17 always going to see an exact replica depending on the
03:53:10 18 snapshot in time that you are taking. Like I would
03:53:13 19 venture to say that if you look at a snapshot now, it's
03:53:16 20 going to look very different than what it did
03:53:18 21 potentially a year ago.

03:53:19 22 But as part of the annual review process, we do
03:53:23 23 look at, you know, where people are positioned, you
03:53:25 24 know, how many people are above the midpoint, how many
03:53:27 25 people are below the midpoint, how many people are above

03:53:30 1

the maximum. [REDACTED]

[REDACTED] 2

[REDACTED]

[REDACTED] 3

[REDACTED]

[REDACTED] 4

[REDACTED]

03:53:44 5

MS. LEEBOVE: Q. So what would it tell you

03:53:45 6

if you see that a significant proportion of

03:53:50 7

employees are positioned at the low end of their

03:53:53 8

salary range?

03:53:54 9

A. So that would tell us that while our ranges may

03:53:57 10

be competitive, where people are positioned to those

03:54:00 11

ranges is low, and, you know, we would probably request

03:54:05 12

some additional funding to help kind of move that along.

03:54:09 13

The problem with that is we're always constrained by

03:54:11 14

that conversation with finance to say, you know, can we

03:54:15 15

afford it or not.

03:54:16 16

And you see that happening not so much in the

03:54:18 17

U.S. because it's a mature market and we -- there is not

03:54:21 18

a lot of volatility, so people's positioning doesn't

03:54:25 19

tend to shift as much. But again, in these those

03:54:27 20

emerging markets, Romania, India you see people shifting

03:54:32 21

in their positions all the time.

03:54:33 22

Q. And you mentioned having to go to finance to

03:54:35 23

ask for more money or ask for money. Who is it -- who

03:54:40 24

is it within finance who you interface with? Who

03:54:44 25

compensation interfaces with?

03:54:45 1 A. We interface with the VP of FP&A, financial
03:54:49 2 planning and analysis. And so the person we had been
03:54:54 3 interfacing with left, so I don't know who that
03:54:58 4 replacement will be for next year.

03:55:01 5 Q. Had you -- had -- in your time in the
03:55:03 6 compensation department, had you been interfacing with
03:55:05 7 this particular VP of FP&A --

03:55:09 8 A. For many years.

03:55:09 9 Q. -- for many years.

03:55:10 10 Did you consult with this person -- was he or
03:55:12 11 she your point person in finance throughout the class
03:55:15 12 period?

03:55:16 13 A. Oh, gosh.

03:55:17 14 Q. When I say "your," I mean the compensation
03:55:19 15 department.

03:55:19 16 A. Yeah. The compensation department. Yeah.
03:55:21 17 Probably, if not directly with him, somebody within his
03:55:25 18 team.

03:55:27 19 Q. And what is -- what was the VP of FP&A's name?

03:55:32 20 A. Joe Namath.

03:55:36 21 Q. Joe Namath?

03:55:38 22 A. Like the football player.

03:55:39 23 Q. Was there anybody else that you dealt with
03:55:42 24 in -- tell me what FP&A stands for.

03:55:45 25 A. Financial planning and analysis.

03:59:15 1

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

Do you see that in

03:59:29 4

paragraph 16?

03:59:30 5

A. Yeah.

03:59:30 6

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:00:27 24

Q. But there are genuinely no instances where HR

04:00:30 25

has clipped a manager's discretion?

04:00:32 1 A. Not that I've personally been involved in.

04:00:34 2 Somebody unbeknownst to me, but no.

04:00:39 3 Q. And tell me how did -- and by -- is it fair --

04:00:44 4 is it fair to refer to compensation as HR?

04:00:47 5 A. We're part of HR.

04:00:48 6 Q. Okay. So Ms. Morris writes at lines 18 to 19

04:00:54 7 on page 5 --

04:00:55 8 A. Yeah.

04:00:56 9 Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:01:45 1

[REDACTED]

[REDACTED] 2

[REDACTED]

[REDACTED] 3

[REDACTED]

[REDACTED] 4

[REDACTED]

[REDACTED] 5

[REDACTED]

04:02:01 6

You know, in the tool, as an example, if you

04:02:03 7

are a manager and you go to give an increase to someone

04:02:06 8

that's above the maximum of the range, it will tell you,

04:02:09 9

hey, do you know the person is above the maximum in the

04:02:12 10

range. Still move forward, but it kind of -- you know.

04:02:15 11

Q. It will accept the change but with a warning?

04:02:20 12

A. Yeah.

04:02:26 13

Q. How many times can an employee -- can an

04:02:29 14

employee be a low performer before they're asked to

04:02:32 15

leave the company?

04:02:33 16

MR. KIERNAN: Object to form.

04:02:34 17

THE WITNESS: That, I don't know. I don't know

04:02:36 18

about that.

04:02:39 19

MS. LEEBOVE: Q. Is there a point at which

04:02:41 20

a person who is a -- an employee who is a low

04:02:43 21

performer year after year is asked to leave?

04:02:48 22

A. That's kind of case by case, I'm sure. Our

04:02:51 23

lawyers get involved. I would tell you that me as a

04:02:55 24

manager, it wouldn't take -- I wouldn't want year after

04:02:57 25

year of low performance before I dealt with that issue.

04:02:59 1 But it's going to be situational, right?

04:03:19 2 Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:04:33 1

[REDACTED]

[REDACTED] 2

[REDACTED]

[REDACTED] 3

[REDACTED]

[REDACTED] 4

[REDACTED]

[REDACTED] 5

[REDACTED]

04:04:48 6

Q. Does this roll-up process actually roll up to

04:04:50 7

this CEO of the company?

04:04:52 8

A. It does. Ultimately the CEO is kind of

04:04:58 9

responsible for, you know, at a company level what

04:05:03 10

budget do we come in, what does the distribution look

04:05:05 11

like. So at any point in time, Shantanu could go look

04:05:10 12

at anybody's record.

04:05:12 13

Q. Has Mr. Narayen ever blocked a salary increase

04:05:16 14

for an individual employee?

04:05:22 15

A. Not that I'm aware of.

04:05:23 16

Q. Or required a salary increase for an employee

04:05:25 17

who wasn't going to receive one?

04:05:27 18

A. Not that I know of. I think Shantanu is

04:05:28 19

probably more focused on his directs more than anybody

04:05:31 20

else.

04:05:44 21

Q. How does Adobe determine bonus and equity

04:05:46 22

grants?

04:05:50 23

A. So Adobe doesn't determine the grants. We --

04:05:56 24

for bonuses or equity, we provide the guidelines. From

04:06:02 25

a bonus perspective, the company's performance dictates

04:06:07 1 whether there is going to be any funding, right? So
04:06:09 2 depending on the company's performance, that will
04:06:12 3 determine how much funding is available, and then
04:06:14 4 managers have to go in and assess the contributions of
04:06:17 5 their employees, similar to a salary process, and
04:06:19 6 determine, you know, how much they want to allocate in
04:06:21 7 terms of the bonus amount.

04:06:25 8 From an equity perspective, it's the same idea.
04:06:29 9 We also give a pool of shares for managers to allocate
04:06:35 10 based on performance. But with equity it's a little bit
04:06:37 11 unique in that we have a pool of shares and those shares
04:06:40 12 have to be approved by our shareholders. And so we have
04:06:45 13 to be very conscientious in terms of the dilution impact
04:06:49 14 to those pool of shares. So I guess that mitigates or
04:06:55 15 determines ultimately how much we're going to have
04:06:56 16 available to give to employees.

04:07:07 17 Q. How is there -- well, how substantial can an
04:07:10 18 employee's equity share -- or how substantial an equity
04:07:15 19 share award can an employee receive -- or what's the
04:07:18 20 maximum equity share award an employee can receive for a
04:07:22 21 given year?

04:07:23 22 MR. KIERNAN: Object to form.

04:07:26 23 THE WITNESS: Yeah. So, there is a difference
04:07:27 24 between shares and value. So we create a pool of shares
04:07:36 25 based on kind of the budget availability, market

04:15:29 1 determine what it is they want to pay.

04:15:31 2 Q. How is that salary range created?

04:15:34 3 A. We create that salary range through the process
04:15:36 4 that I described earlier where we are benchmarking
04:15:41 5 specific jobs to the market, and we either adjust them
04:15:45 6 up or down based on what the market is telling us by
04:15:49 7 targeting that 65th percentile of the market.

04:15:53 8 Q. Do managers target the midpoint of the range
04:15:58 9 for new hires?

04:15:59 10 MR. KIERNAN: Objection. Form.

04:16:01 11 THE WITNESS: Yeah. I don't know what they
04:16:03 12 specifically target. We educate managers that they need
04:16:05 13 to think about a number of things, right? So they need
04:16:09 14 to look at skill level of an individual, the potential
04:16:16 15 expertise that they're bringing to the table, they need
04:16:19 16 to look at kind of what's happening within their overall
04:16:22 17 team, their budget. There is a number of things that
04:16:26 18 managers have to think about when they determine what
04:16:28 19 that amount is going to be.

04:16:51 20 MS. LEEBOVE: Would you please mark this the
04:16:53 21 next in order, Exhibit 2496.

04:17:07 22 (Whereupon, Exhibit 2496 was marked for
04:17:07 23 identification.)

04:17:09 24 MS. LEEBOVE: Q. Ms. Arriada-Keiper,
04:17:10 25 you've been handed Exhibit 2496. It's a -- well, a

04:17:15 1 several-page document that begins on ADOBE_086273

04:17:19 2 and runs through 086276.

04:17:21 3 A. Yes.

04:17:27 4 Q. If you could have a look at it and let me know
04:17:30 5 when you've done so.

04:17:31 6 A. I've seen this.

04:17:32 7 Q. Do you need more time?

04:17:33 8 A. No.

04:17:33 9 Q. Can you tell me what Exhibit 2496 is?

04:17:36 10 A. Yes. It's a template that we use when we need
04:17:38 11 to create a job code and get it entered into SAP.

04:17:45 12 Q. This document says at the top that it was
04:17:47 13 revised in April of '03?

04:17:50 14 A. Okay.

04:17:51 15 Q. And the second page, 086274 says it was revised
04:17:54 16 in April of '02. But have these form -- have these
04:18:01 17 forms been further revised since those dates?

04:18:04 18 A. I don't know. I'd have to go check with the
04:18:06 19 team. I don't do these anymore.

04:18:10 20 Q. Did you used to use these forms?

04:18:12 21 A. Uh-huh. In my days as a comp analyst, I sure
04:18:15 22 did.

04:18:19 23 Q. So can you walk me through how you would fill
04:18:22 24 this out? How would you know what job code to put in
04:18:24 25 that first line?

04:19:51	24	FLSA, so that's very specific criteria around
04:19:54	25	what jobs are considered exempt jobs, and which ones are

04:19:57 1 considered nonexempt jobs in terms of overtime pay,
04:20:00 2 right? So that's kind of dictated to us by law.

04:20:06 3 The functional area will describe is this an HR
04:20:10 4 job, is it an R&D job, is it a sales job. The job
04:20:14 5 function gets into a little bit more specificity. So,
04:20:18 6 you know, if it's an R&D job, is it development? Is it
04:20:22 7 UI? Is it QE? And then within the job family it's
04:20:27 8 exactly what type of benchmark data are you using.

04:20:32 9 So, you know, within R&D, within development,
04:20:36 10 you might have, I don't know, computer scientist versus
04:20:43 11 systems scientist. So it's a level of granularity below
04:20:48 12 the job function. And then you have manager level which
04:20:51 13 determines is this an individual contributor job, or is
04:20:54 14 this a career level manager, a senior manager, a
04:20:59 15 director level, a senior director VP.

04:21:05 16

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:21:19 21 And the stock level is the same. A job family
04:21:23 22 has an associated stock level and a stock category which
04:21:27 23 determines how many shares an employee gets.

04:21:29 24 So these are all what we refer to as attributes
04:21:32 25 of a job. So when we create a job internally, you kind

04:21:37 1 of have to put all these inputs into a system, and they
04:21:40 2 help drive a lot of different things. Like what's the
04:21:43 3 salary range going to be? What's the new hire equity
04:21:45 4 grant guideline that you give to a particular position?
04:21:47 5 What's the incentive target for a particular role? It's
04:21:51 6 all very prescribed.

04:21:52 7 Q. And where do you find, for instance, the global
04:21:56 8 code to input for the global job code and title?

04:22:01 9 A. That global code comes from Radford. So we
04:22:05 10 have adopted essentially Radford's coding scheme. Many
04:22:11 11 companies will create their own. We didn't do that. We
04:22:14 12 literally take Radford's coding scheme.

04:22:18 13 Q. And is there a list somewhere? And maybe it --
04:22:25 14 I was thinking maybe it was attached as page 2. Where
04:22:29 15 does the grade ID come from?

04:22:32 16 A. Yeah. So it's kind of a misnomer, because we
04:22:35 17 don't have grades at Adobe. So it would basically be
04:22:38 18 the last four digits of the Adobe job code. So if you
04:22:41 19 go to the top there where it says job code, that was the
04:22:41 20 number I told you that SAP kind of randomly or
04:22:46 21 automatically creates. It would be the last four
04:22:49 22 numbers of that six digit number that make up the grade
04:22:51 23 ID.

04:23:12 24 Q. I'm looking back to my notes because you
04:23:14 25 mentioned SAP.

04:23:15 1 A. Yep.

04:23:16 2 Q. And was SAP the old system or is SAP the
04:23:17 3 current -- I'm thinking back to whether I have any
04:23:24 4 questions for you about Taleo versus -- tell me what SAP
04:23:31 5 stands for.

04:23:32 6 A. I don't know. It's the German company.

04:23:34 7 MR. KIERNAN: Well, it's just a -- but --

04:23:36 8 THE WITNESS: It's the salary planning tool.

04:23:38 9 So I think what I'm -- so what we referenced was the
04:23:41 10 salary planning tool. When I say SAP, that is our
04:23:45 11 database for where we keep all HR information.

04:23:48 12 MR. KIERNAN: There is many, many SAP products.

04:23:50 13 MS. LEEBOVE: Okay.

04:23:51 14 MR. KIERNAN: Salary tool being one, then --

04:23:53 15 THE WITNESS: A recruiting tool. Learning and
04:23:54 16 development. They have different modules.

04:23:57 17 MR. KIERNAN: Right.

04:23:57 18 THE WITNESS: Yeah.

04:23:58 19 MS. LEEBOVE: Q. So is SAP just one of
04:24:00 20 Adobe's vendors that you buy HR software from?

04:24:04 21 A. They're one of our partners. And a couple of
04:24:07 22 the products of theirs that we use is we use their
04:24:10 23 database to store all employee information. We also use
04:24:13 24 them from a salary planning tool perspective. I believe
04:24:17 25 finance uses them for their accrual and expense

04:24:20 1 tracking. So yeah.

04:24:23 2 Q. I don't think I've asked you this, but is there
04:24:25 3 a list of Adobe job codes somewhere?

04:24:27 4 A. If you go to the salary range website that all
04:24:29 5 managers can access, every code is listed there.

04:24:34 6 Q. Do employees know their salary ranges?

04:24:36 7 A. Yes. Well, if they ask. So let me -- we used
04:24:47 8 to have a practice where we actually printed it on their
04:24:51 9 annual review letters. I don't think we're doing that
04:24:53 10 anymore. I'd have to check. But at any point in time
04:24:55 11 they can just ask and get it. It's not like it's a
04:24:58 12 secret.

04:24:58 13 Q. Okay. And you mentioned, again in discussing
04:25:01 14 this sheet, the formula that Adobe uses to determine the
04:25:07 15 minimum and maximum once you've targeted the midpoint of
04:25:10 16 a salary range.

04:25:11 17 A. Yeah.

04:25:12 18 Q. Did that formula remain constant over the class
04:25:15 19 period?

04:25:15 20 A. No, it's changed. And I couldn't tell you, you
04:25:18 21 know, when and to what values. But when I initially
04:25:22 22 joined the company, we used 50 percent spreads for the
04:25:26 23 vast majority of roles, and then I think it was like a
04:25:29 24 75 percent spread for your senior levels. Since then
04:25:32 25 it's changed, and I don't really know where they're

04:25:34 1 sitting at today.

04:25:37 2 Q. Okay. Where do job levels come from?

04:25:40 3 A. So job levels are also tied to Radford. So I
04:25:47 4 mentioned before you have a job family. A job family
04:25:49 5 would be like computer scientist. Based on some
04:25:54 6 different criteria primarily driven by kind of skill,
04:25:57 7 the type of work that you do, your education, there is
04:26:00 8 kind of leveling guides that they have. And so we apply
04:26:04 9 those same leveling criteria.

04:26:09 10 Q. Are job families also defined by Radford?

04:26:13 11 A. Yeah. We pretty much have adopted their whole
04:26:17 12 scheme. Some minor, maybe, tweaks to it, but generally
04:26:20 13 speaking we follow their model.

04:26:22 14 Q. Are there any aspects of the Radford model that
04:26:26 15 Adobe doesn't follow?

04:26:28 16 A. Yeah. I -- you know, and I have to go back.
04:26:31 17 I'm getting to a level of granularity that -- I haven't
04:26:36 18 been in the work in a long time. But sometimes we will
04:26:41 19 create more levels than, let's say -- I'll give you an
04:26:46 20 example; quality engineers. In the market, there may be
04:26:50 21 six levels from an individual contributor perspective.

04:26:54 22 We, as a company, have often -- not oftentimes,
04:26:56 23 but sometimes applied discretion and said you know what?
04:27:00 24 We don't want to create six levels, we just want to have
04:27:02 25 five. So we have made nuance changes like that, but I'd

04:27:06 1 have to go and look at the jobs to figure out how many
04:27:09 2 and to what degree. But it's not very often.

04:27:11 3 Q. But is it fair to say that Adobe has transposed
04:27:13 4 the Radford job -- well, how would you describe what
04:27:19 5 Adobe has done with the Radford survey data?

04:27:23 6 A. We've pretty much modeled our job structure off
04:27:25 7 of theirs.

04:27:27 8 Q. Okay.

04:27:27 9 A. Yeah.

04:27:42 10 Q. Is there anything you disagree with in
04:27:44 11 paragraph 34 of -- well, I frankly don't recall whether
04:27:50 12 you've reviewed and --

04:27:54 13 MR. KIERNAN: Thirty-two.

04:27:54 14 THE WITNESS: I stopped at 31.

04:27:55 15 MS. LEEBOVE: Q. Could you review 32
04:27:57 16 through the end and let me know if there is anything
04:27:59 17 in here that you would change to make it more
04:28:01 18 truthful or accurate from your perspective.

04:29:29 19 A. Okay.

04:29:30 20 Q. Is there anything you've seen in the remainder
04:29:32 21 of the Morris declaration that you would change to make
04:29:34 22 it more truthful or accurate from your perspective?

04:29:37 23 A. No.

04:29:37 24 Q. Okay. Thank you.

04:29:41 25 Mr. Kiernan did you want to take a break?

04:29:42 1 MR. KIERNAN: Yeah.

04:29:43 2 THE VIDEOGRAPHER: This is the end of video
04:29:44 3 No. 5.

04:29:45 4 The time is 4:29 p.m. We're going off the
04:29:47 5 record.

04:29:48 6 (Recess taken.)

04:45:32 7 THE VIDEOGRAPHER: This is the beginning of
04:45:32 8 video No. 6.

04:45:33 9 The time is 4:45 p.m. We're back on the
04:45:36 10 record.

04:45:41 11 MS. LEEBOVE: Q. Ms. Arriada-Keiper, I
04:45:43 12 have just a couple of sort of randomish questions
04:45:45 13 for you in that they don't connect to what we were
04:45:48 14 previously talking about or what we will talk about.

04:45:50 15 But have you ever been involved in making a
04:45:52 16 counteroffer to an employee who was -- who indicated he
04:45:56 17 or she would -- was planning to leave Adobe for another
04:46:00 18 job?

04:46:03 19 A. I am trying to remember whether I have been. I
04:46:10 20 don't remember a specific example, but I must have been
04:46:13 21 at some point.

04:46:17 22 Q. Do you remember the details of any instance
04:46:19 23 where you were involved in preparing a counteroffer for
04:46:21 24 an employee?

04:46:22 25 A. I don't, no.

05:40:35 1 you know, as we've been saying kind of all along, is
05:40:38 2 that internal equity is a factor that they have to
05:40:40 3 consider. So, you know, depending on the individual
05:40:45 4 scenario and the situation, they may make that decision.

05:40:49 5 We ask them to consider internal equity when
05:40:51 6 they're making their salary decisions. That's what
05:40:55 7 she's doing here. And I don't have the full detail
05:41:00 8 here, so it's kind of hard to surmise. But if I had to,
05:41:06 9 again, speculate here, it probably has something to do
05:41:08 10 with the performance level and not being aligned to the
05:41:11 11 recommendations.

05:41:13 12 MS. LEEBOVE: Okay. Well, I do not have any
05:41:17 13 further questions.

05:41:22 14 THE WITNESS: Yay.

05:41:23 15 MS. LEEBOVE: Do you?

05:41:24 16 MR. KIERNAN: (Nonverbal response.)

05:41:24 17 THE VIDEOGRAPHER: This is the end of video
05:41:26 18 No. 6 and the conclusion of today's proceeding.

05:41:29 19 The time is 5:41 p.m. We're off the record.

05:41:34 20 (The deposition concluded at 5:41 PM)

05:41:34 21

22

23

24

25

1 I, Gina V. Carbone, Certified Shorthand
2 Reporter licensed in the State of California, License
3 No. 8249, hereby certify that the deponent was by me
4 first duly sworn and the foregoing testimony was
5 reported by me and was thereafter transcribed with
6 computer-aided transcription; that the foregoing is a
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or
9 attorney for either of any of the parties in the
10 foregoing proceeding and caption named or in any way
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of
13 the original transcript will render the reporter's
14 certificates null and void.

15 In witness whereof, I have hereunto set my
16 hand this day: April 10, 2013.

17 ___X___ Reading and Signing was requested.

18 _____ Reading and Signing was waived.

19 _____ Reading and signing was not requested.

20

21

22

23

GINA V. CARBONE

24

CSR 8249, CRR, CCRR

25